CITY COUNCIL REPORT



MEETING DATE: 10/25/2005

ITEM NO.



GOAL: Fiscal and Resource Management

SUBJECT REQUEST

Exclusive Ambulance Provider Contract Approval

City Council review, comment and approve of Contract No. 2005-162-COS for emergency ambulance transportation services. Review, comment and approve of the agreements for advanced life support reimbursement and contract labor (firefighter) staffing of ambulances.

Related Policies, References

- January 4, 2005 Work Study Session Information Report City Ambulance Service Options
- April 19, 2005 Council Action Report Consulting Services to Assist the City in an Open Competitive Process for Advanced Life Support Ambulance Transportation Services
- June 7, 2005 Council Action Report Interim Ambulance Agreement
- June 28, 2005 Council Action Report- Exclusive Ambulance Provider Request for Proposal (RFP) Process

BACKGROUND

The establishment of a municipal fire department created the need to evaluate the manner in which emergency medical transportation is provided. Previously, fire and ambulance services were integrated on a contractual basis with Rural/Metro Corporation, using a model that staffed ambulances with cross-trained firefighters. It has been more than twelve (12) years since the provision of ambulance service was last evaluated.

The Fire Department has the responsibility to provide emergency medical services (EMS) to the community. A critical component of the delivery of EMS is emergency transportation. By securing a long-term performance based ambulance contract, the City can establish minimum performance standards and provide continuity of patient care throughout the community. The contract service should support the Fire Department's delivery of advanced life support (paramedic) services.

The City currently has a one-year contract with Southwest Ambulance that provides for emergency ambulance services. Two of the ambulances that serve the City are staffed with City firefighters. This contract may be terminated through a 90-day termination clause following the approval of a new agreement.

Action Taken	

At the recommendation of staff, and with Council approval, a Request For Proposal (RFP) process was initiated to conduct an open competitive process to secure a new ambulance contract. The RFP was designed to provide an evaluation and review of proposals in a highly structured process. The RFP specified the scope of work and established minimum standards, including response times for emergency transportation units. The proposers were asked to submit two models; one that included City firefighters staffing some of the ambulances and one in which all of the staffing was provided by the proposer.

The RFP document followed the adopted City Procurement Code, which defined the process, ensured appropriate levels of indemnification, insurance, and limited unnecessary risks to the City. The RFP required proposals to be fully supported through user fees, with no additional costs to the City. In addition, proposals were to be based on the current rate structure as approved by the Arizona Department of Health Services. The proposers were to use their industry knowledge and experience to provide an operational model that meets the objectives and requirements established by the City.

The RFP established the evaluation process to be used by the selection panel. The specified criteria established how proposals would be scored. Proposers were required to possess a valid State of Arizona Certificate of Necessity (CON) that authorized their company to provide emergency ambulance services within the City of Scottsdale. A "credentialing" process was also included to assure that the proposers had sufficient operational experience and financial resources to provide the desired level of emergency ambulance services to the City.

Objectivity in the selection process was provided through a uniform set of detailed specifications to qualified proposers. A five-member selection panel, which consisted of a representative of Scottsdale Healthcare, three out-of-state industry experts, and the City's General Manager of Finance, was convened to evaluate the submittals. To enhance objectivity of the selection panel, the out-of-state industry experts are not stakeholders in the current environment. Neither of the proposers are current ambulance providers for the out-of-state experts. Additionally, no one evaluator could individually influence the outcome. The evaluators did not have contact with either proposer and did not discuss the proposals with the other panelists or City Staff prior to the oral presentations.

The City's consultant, the Polaris Group, facilitated the evaluation process. The company offered technical expertise and supported the process for the panel; but did not rate the proposals. Selection panelists independently reviewed the proposals and rated them using their own expertise to evaluate the proposals. Questions and clarifications were addressed by the proposers during their formal presentations. Each evaluator then individually scored the proposals and their scores were aggregated.

The selection panel found the Professional Medical Transport Inc. (PMT) proposal to be overwhelmingly superior. PMT received the highest point totals in 31 of 35 required sections of the RFP. PMT prevailed in the following categories: Credentials - Financial Depth, Regulatory Compliance; Proposal - Clinical Performance, Control Center Operations,

Human Resources, Fleet & Equipment Issues, Key Personnel and Implementation, Accounts Receivable Management, EMS Program Enhancements and Deployment Plan (Contractor Only Staffing) and EMS Program Enhancements and Deployment Plan A (Contract labor Staffing).

The RFP scoring process additionally included six areas for rating EMS program enhancements for the contractor only staffing model (PMT Proposal A) and for the contract labor staffing model (PMT Proposal B). PMT scored higher in every ratable category in both models. Those categories included: enhancements to protocols, financial reserve for clinical upgrades, support for quality improvement and medical direction, community service and education, first responder support, and their deployment plan. The specifics of the enhancements are listed in the contract as Exhibit A-5, "EMS Program Improvements".

The RFP required an eight minute and fifty-nine second (8:59) response time to priority one calls, ninety (90) percent of the time. This response time standard is based on currently available clinical research and is internationally endorsed as an appropriate benchmark. Both PMT and Southwest proposed a lower response time based on theoretical deployment models that may or may not have been supported by the current DHS rate structure as required in the RFP. In their proposal and during the oral presentation, PMT made a strong commitment that the level of service they will provide will be financially supported by the current State approved rates for ambulance transportation, with no additional cost to the City. Based on the recommendation of staff and the City's EMS consultant's clinical research, the contract reflects the response time standards outlined in the scope of work in the RFP. The selection panel rated PMT's deployment plan as superior in meeting the response time requirements of the RFP.

On September 9, 2005 City Staff notified Professional Medical Transport Inc. of our intent to negotiate a long-term ambulance contract.

Subsequent credentials verifications by City Staff and the City's consultant have verified the experience, management and financial resources submitted by PMT. In-depth background checks of the company and key management staff have revealed no disqualifying or unfavorable issues.

ANALYSIS & ASSESSMENT

In accordance with the City's Procurement Code, staff led a series of work sessions with representatives of PMT to conduct a thorough review of their proposal. A contract was developed for City Council consideration. During the review process, separate agreements for Advanced Life Support Services and Contract Labor Staffing were developed.

The staff review of PMT's proposal found it to meet or exceed the standards established by the RFP. It includes a number of programs that provide life-saving equipment, personnel training and public education to the community. Staff concurred with the selection panel that PMT's deployment plan meets the needs of the community and was responsive to the RFP. PMT's plan was specific in the locations of their twenty-four (24)-hour units, provided a detailed plan for the use of their proposed peak-time units, and committed to the utilization of identified back-up units. PMT has

made a strong commitment that the level of service they will provide will be financially supported by the current State-approved rates for ambulance transportation, with no additional cost to the City. The response-time requirements were met and are to be measured in the manner specified by the City in the RFP. Staff has developed a contract that includes all of the required elements of the RFP and performance measurements that will be evaluated on a daily, weekly and monthly basis. There are provisions for early termination due to major default and financial penalties for non-compliance. PMT has also agreed to follow a series of EMS Program Management Plans. The plans address all of the major programs the contract requires and have been mutually agreed upon by the Fire Department and PMT staff. They will be monitored and modified as needed by an operations committee that is made up of representatives of PMT and the Fire Department.

The scope of work outlined in the RFP included a requirement that PMT reimburse the City the amount of sixty (\$60.00) dollars, each time a City Firefighter Paramedic accompanies a patient to the hospital in a PMT-staffed ambulance. Staff estimates that fire department paramedics will accompany patients in PMT ambulances approximately two thousand four hundred (2400) times per year, resulting in approximately one hundred and forty-four thousand dollars (\$144,000.00) in reimbursement to the City for services rendered. This provision is identical to the current reimbursement provisions of the contract with Southwest Ambulance. A separate agreement for these services has been developed for City Council approval.

A Contract Labor Agreement that provides for the staffing of four PMT ambulances by City firefighters has been developed for City Council approval. If approved, staff proposes staffing two ambulances with firefighters immediately, with two additional units staffed at an agreed-upon time in the future. The staffing of the two initial units will not require any additional budget authority for FY '05/06. PMT has agreed to reimburse the City for the full cost of labor for staffing each unit with one Firefighter Paramedic and one Firefighter EMT, and has agreed to assign the units to City fire stations. This model will initially provide four additional firefighters on duty in the City each day, eight once all four units are approved. The PMT proposal states, "Scottsdale Fire Department personnel assigned to staff PMT ambulances under Contract Labor Option B will be available for, and may be required by the Fire Department, to respond at any time to fire suppression, hazardous materials, rescue and other emergency responses to fulfill traditional fire suppression and specialty roles, provided that they are not already responding to or are otherwise engaged in an ambulance response or transport. Any time two or more fire department staffed rescues are being used to fulfill fire suppression or specialty roles as required by the fire department, PMT will backfill those units with one of the "primary back-up" PMT ambulances."

A concerted effort has been made to assure that the Request for Proposals (RFP) and the Ambulance Contracts are in proper form and comply with applicable City, State and Federal laws. Prior to its issuance, the RFP was reviewed by the City's EMS Consultant and the Arizona Department of Health Services. As a part of the RFP, each offeror was instructed to advise the City of any provisions they believed were in violation of any

State or Federal law, and no comments were received.

The final Contracts have been reviewed informally by the Department of Health Services, the Purchasing Department, the Ambulance Consultant, PMT's Anti-Kickback attorney, and are presently under independent review by an attorney specializing in Medicare Anti-Kickback issues located in Washington, D.C.

Fiscal Impact

In compliance with the RFP, there are no anticipated net fiscal impacts associated with the Ambulance Contract under either proposed staffing model.

OPTIONS & STAFF RECOMMENDATION

Description of Option A:

Adopt Resolution No. 6771, approving Ambulance Contract No. 2005-162-COS, Advanced Life Support Labor Services Contract No. 2005-163-COS and Ambulance Staffing Contract Labor Agreement No. 2005-164-COS, and authorizing the City Manager to terminate the Amended Ambulance Agreement with Southwest Ambulance.

Description of Option B:

Adopt Resolution No. 6772, approving Ambulance Contract no. 2005-162-COS and the Advanced Life Support Labor Services Contract No. 2005-163-COS, and authorizing the City Manager to terminate the Amended Ambulance Agreement with Southwest Ambulance.

Description of Option C:

Do not approve Contract No. 2005-162-COS and direct staff to re-open negotiations with PMT for an amended contract based on Council comments.

Description of Option D:

Do not approve Ambulance Contract No. 2005-162-COS and direct staff to issue a new RFP based on new Council direction.

Recommended Approach:

Staff recommends that the City Council approve Option A, as this option meets all of the emergency ambulance service requirements as specified by the RFP. Option A also provides additional on-duty fire department resources for the City each day, with the same response time performance and clinical enhancements as the PMT staffed model with no additional cost to the City. Additionally, the City's experience with a private provider demonstrated that a more integrated pre-hospital system is a beneficial approach to ensuring excellent service delivery and a cohesive field partnership.

RESPONSIBLE DEPT(S)

Fire Department

STAFF CONTACT(S)

William L. McDonald, Fire Chief, (480) 312-1880,

wmcdonald@scottsdaleaz.gov

APPROVED BY:

Jan Dolan, Oty Manager

ATTACHMENTS

1. Resolution No. 6771

2. Resolution No. 6772

3. Ambulance Contract No. 2005-162-COS

4. Advanced Life Support Labor Services Contract No. 2005-163-COS

5. Ambulance Staffing Contract Labor Agreement No. 2005-164-COS

RESOLUTION NO. 6771

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE THE AMBULANCE CONTRACT, THE ADVANCED LIFE SUPPORT LABOR SERVICES CONTRACT AND THE AMBULANCE STAFFING CONTRACT LABOR AGREEMENT PROFESSIONAL MEDICAL TRANSPORT, INC., AND TERMINATING THE EXISTING AMENDED **EMERGENCY** MEDICAL SERVICES AGREEMENT WITH SOUTHWEST AMBULANCE.

WHEREAS, the City has conducted a competitive bidding process for the selection of an emergency ambulance transport service for the City of Scottsdale; and

WHEREAS, as a result of that process, the Selection Committee has recommended to the City Council Professional Medical Transport, Inc. (PMT) as the company that has provided the best proposal that most closely meets the needs and requirements of the City as set forth in the Request for Proposals; and

WHEREAS, the City Council desires to accept the recommendation of the Selection Committee and enter into ambulance contracts with Professional Medical Transport, Inc. for emergency ambulance services; and

WHEREAS, it is necessary for the City to give ninety (90) days advance notice to Southwest Ambulance of the City's desire to terminate Contract No. 2002-096B-COS.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Arizona, as follows

<u>Section 1.</u> The Mayor is hereby authorized to execute the following Ambulance Contracts with Professional Medical Transport, Inc., an Arizona corporation:

- a. The Ambulance Contract No. 2005-162-COS; and
- The Advance Life Support Labor Services Contract No. 2005-163-COS; and
- c. The Ambulance Staffing Contract Labor Agreement No. 2005-164-COS.

These three (3) contracts shall become effective ninety one (91) days after Notice of Termination of the Emergency Medical Services Agreement, Contract No. 2002-096B-

2339570v1 ATTACHMENT 1

COS, is given to Southwest Ambulance, or such other termination date thereafter as the City Manager may determine is in the best interests of the City.

Section 2. The City Manager is hereby authorized to give written notice to Southwest Ambulance of the City's intention to terminate its Amended Emergency Medical Services Agreement, Contract No. 2002-096B-COS, at least ninety (90) days after receipt by Southwest Ambulance of the Notice of Termination, or such other termination date thereafter as the City Manager may determine is in the best interests of the City.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of October 2005.

ATTEST:

CITY OF SCOTTSDALE, an Arizona

municipal corporation

Carolyn Jagger City Clerk

Mary Manross Mayor

APPROVED AS TO FORM:

Deborah Robberson, Actiro

City Attorney

RESOLUTION NO. 6772

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE THE AMBULANCE CONTRACT AND THE ADVANCED LIFE SUPPORT LABOR SERVICES CONTRACT WITH PROFESSIONAL MEDICAL TRANSPORT. INC., AND TERMINATING THE EXISTING AMENDED **EMERGENCY** MEDICAL SERVICES AGREEMENT WITH SOUTHWEST AMBULANCE

WHEREAS, the City has conducted a competitive bidding process for the selection of an emergency ambulance transport service for the City of Scottsdale; and

WHEREAS, as a result of that process, the Selection Committee has recommended to the City Council Professional Medical Transport, Inc. (PMT) as the company that has provided the best proposal that most closely meets the needs and requirements of the City as set forth in the Request for Proposals; and

WHEREAS, the City Council desires to accept the recommendation of the Selection Committee and enter into ambulance contracts with Professional Medical Transport, Inc. for emergency ambulance services; and

WHEREAS, it is necessary for the City to give ninety (90) days advance notice to Southwest Ambulance of the City's desire to terminate Contract No. 2002-096B-COS.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Arizona, as follows:

<u>Section 1.</u> The Mayor is hereby authorized to execute the following Ambulance Contracts with Professional Medical Transport, Inc., an Arizona corporation:

- a. The Ambulance Contract No. 2005-162-COS; and
- b. The Advance Life Support Labor Services Contract No. 2005-163-COS.

These two (2) contracts shall become effective ninety one (91) days after Notice of Termination of the Emergency Medical Services Agreement is given to Southwest

Ambulance, or such other termination date thereafter as the City Manager may determine is in the best interests of the City.

Section 2. The City Manager is hereby authorized to give written notice to Southwest Ambulance of the City's intention to terminate its Amended Emergency Medical Services Agreement, Contract No. 2002-096B-COS, at least ninety (90) days after receipt by Southwest Ambulance of the Notice of Termination, or such other termination date thereafter as the City Manager may determine is in the best interests of the City.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of October 2005.

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CITY OF SCOTTSDALE, an Arizona

municipal corporation

Carolyn Jagger City Clerk

Mary Manross Mayor

APPROVED AS TO FORM:

Deborah Robberson, Acting

City Attorney

CITY OF SCOTTSDALE AMBULANCE CONTRACT

BID NUMBER 05RP040

Scottsdale No. 2005-162-COS

THIS CONTRACT, made and entered into this 25th day of October, 2005, by and between Professional Medical Transport, Inc., an Arizona corporation, hereinafter designated "Contractor" and the City of Scottsdale, County of Maricopa, State of Arizona, a municipal corporation, organized and existing under and by virtue of the laws of the State of Arizona, hereinafter designated the "City."

RECITALS:

Whereas, the Contractor is the holder of a Certificate of Necessity (CON) with the Arizona Department of Health Services, CON No. 71, and is in good standing with DHS; and

Whereas, pursuant to a Request for Proposal, the Contractor has submitted its Proposal for providing Ambulance Services to the City of Scottsdale; and

Whereas, upon completion of its evaluation process, the City has determined that the Professional Medical Transport, Inc.'s (PMT) Proposal most closely meets the assessment needs and desires of the City of Scottsdale; and

Whereas, the EMS Program Enhancements set forth in Exhibit A-5 to this Contract are believed to have a positive impact on the quality of patient care by facilitating efficient and effective responses to emergency situations within the City of Scottsdale; and

Whereas, the EMS Program Enhancements and remuneration for services inures to the benefit of the citizens of Scottsdale; and

Whereas, the EMS Program Enhancements do not increase the costs of emergency services to the public, or to Medicare, AHCCCS or other government medical programs; and

Whereas, the City and the Contractor desire to work together to jointly provide quality EMS services to the citizens of Scottsdale, and this joint effort and the exchange of services have been determined to be of like value and result in a fair and equitable exchange between the Contractor and the City; and

Whereas, the EMS Program Enhancements contained in Exhibit A-5 are part of a comprehensive program to provide oversight and fiscal management to the delivery of emergency medical services within the City of Scottsdale; and

Whereas, the City Council desires to award the Contract for emergency ambulance services within the City of Scottsdale to PMT.

WITNESSETH:

NOW THEREFORE, for and in consideration of the mutual promises, covenants and conditions set forth below, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS:

- A. "Advanced Life Support" or "ALS" means those medical treatments, procedures (including assessment), and techniques, established by A.R.S. §36-2005, which may be administered or performed by ALS paramedics.
- B. "Basic Life Support" or "BLS" means those medical treatments, procedures (including assessment), and techniques, established pursuant to A.R.S. §36-2005, which may be administered or performed by BLS Emergency Medical Technicians.
 - C. "Certified" means approved by the Arizona Department of Health Services.
- D. "City" means the City of Scottsdale. As the context may dictate, the "City" may be used to include the City's Fire Department.
- E. "Contract Administrator" means the City's Fire Chief, or the Fire Chief's designee.
 - F. "Contractor" means Professional Medical Transport, Inc, an Arizona corporation.
- G. "Day" means calendar day, without regard to whether it is a Saturday, Sunday or holiday.
 - H. "DHS" means the Arizona Department of Health Services.
- I. "Emergency Medical Technician" or "EMT" means a person who has been trained in an emergency medical technician basic training program and who is certified by the Director of DHS to render Basic Life Support (BLS) pursuant to A.R.S. 36-2205 and Article 5 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- J. "Emergency Paramedic" or "Paramedic" means a person who has been trained in an emergency paramedic-training program and who is certified by the Director to render Advanced Life Support (ALS) pursuant to A.R.S. 36-2205 and Article 6 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- K. "EMS System" means the arrangement of City and PMT personnel and resources used for the coordinated delivery of pre-hospital emergency care and transportation of the sick and injured persons.
- L. "Exception Report" means a report from PMT to the City containing an explanation for responses that fail to meet the response time standards of the City as defined in Section 6 of Exhibit A, Scope of Work.
 - M. "Fire Department" means the City of Scottsdale's municipal fire department.
- N. "Hospital" means Scottsdale Healthcare or an equivalent facility for City-based advanced life support units, in accordance with DHS requirements and approval of the Contract Administrator.

- O. "Notice" means a written memorandum delivered to the Contract Administrator either by hand delivery or certified mail, return receipt requested. Facsimile or electronic e-mail notice shall not be considered notice.
- P. "Primary Service Area" means the area within the legally adopted jurisdictional boundaries of the City of Scottsdale, automatic aid response areas and surrounding hospitals, emergency care facilities or other appropriate destinations as indicated for patient management as requested by the City, so long as it is within the area of the Contractor's CON.
- Q. "Standard of Care within the EMS System" means the level at which the prudent City and/or PMT employee would provide pre-hospital emergency medical care to the sick and injured. The community standard guidelines adopted and approved by Arizona Emergency Medical Services, Inc., (AEMS), the Arizona Department of Health Services, ALS Base Station and/or similar bodies.
- ARTICLE 2. SCOPE OF WORK: The Contractor shall furnish, within the City's primary service area, any and all labor, materials, equipment, transportation, utilities, supplies, disposables and facilities required to perform all work specified within RFP No. 05RP040, in accordance with the terms of this Contract, the Scope of Work, attached as Exhibit A to this Contract and by reference made a part hereof, and the remaining Exhibits attached hereto and by reference made a part hereof, together with the requirements of DHS and the City under Contractor's Certificate of Necessity No. 71.

ARTICLE 3. CERTIFICATE OF NECESSITY:

- A. The Contractor is a holder of a Certificate of Necessity Number 71 issued by DHS, a copy of which is set forth in Exhibit B. The Contractor shall maintain exclusive control of its ambulance service, ambulances and ambulance staff. Nothing contained herein shall imply or be construed in any way as relinquishment of control or the ceding of the Contractor's ambulance service, ambulances, or ambulance staff, to any third party. At the sole discretion of the Contractor, and under the authority of its CON, the Contractor shall use its expertise to develop and implement operational policies, procedures, standards, and plans in order to operate its ambulance service, ambulances and ambulance staff, and in cooperation with the City, maximizes the EMS system resources specific to the City, to ensure the highest standard of care for the general public. The Contractor shall be solely responsible for ensuring that all operational procedures, standards and plans comply with its CON and all applicable State and federal laws.
- B. As of the effective date of this Contract, operational procedures, standards and plans shall not cause DHS approved fixed rates or charges to the general public to be adversely affected.
- C. The Contractor and the City shall establish and maintain a working EMS Program Management Committee to discuss, evaluate and implement specific, mutually agreed upon, operation policies, procedures, standards and EMS management plans in order to meet the City's EMS needs. The Committee will review the following plans and programs annually: Fleet Management Plan, Fleet Safety Procedures, In Service Training, Internal Risk Management/Loss Control Program, Community Education Program, Comprehensive Quality Improvement Program, and First Responder Equipment and Supply Replenishment Plan. The Committee will be made up of management and field personnel from the Fire Department and the Contractor. The foregoing is in no way meant to imply that the City maintains control over

the Contractor's ambulance operation, ambulances or ambulance personnel. The intent of the operational committee is to ensure the smooth coordination of EMS services within the City. The Contractor's management and control shall include developing and maintaining system status management programs to ensure that ambulances are appropriately distributed throughout the Primary Service Area in order to meet response time requirements. This also includes providing appropriately certified and trained emergency medical technician staff for its ambulances and establishing and maintaining strategically positioned ambulance sub-stations within its service area. All operational procedures shall be mutually agreed upon.

ARTICLE 4. TERM OF CONTRACT: The term of the contract will be for a period of five (5) years beginning ninety one (91) days after the date of receipt of Notice of Termination of the existing Amended Emergency Medical Services Contract with Southwest Ambulance. This date shall be considered the commencement date of this Contract. The City may elect to extend the contract up to three (3) extensions of two (2) years each according to the terms of the renewal provisions of this Contract. Extensions must be approved beginning with the fifth year of the Contract and must be approved by the Scottsdale City Council.

ARTICLE 5. CRITERIA FOR EVALUATION OF EXTENTION APPLICATION: The City shall evaluate the services of the Contractor during each term of this Contract. Before any consideration of an extension of the Contract will be considered, the City will evaluate the following criteria. This evaluation may, among other things, include:

- a) The Contractor has met or exceeded the response time reliability requirements of the Contract for each and every month of the year being evaluated.
- b) The Fire Chief certifies that the Contractor has met all clinical provisions of the Contract during the year being evaluated.
- c) The City verifies that the Contractor has met the financial requirements of the Contract.
- d) The Contractor is not in default under any of the terms and conditions of this Contract.

ARTICLE 6. CANCELLATION OF CITY CONTRACTS: The City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the City's departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party of the Contract in any capacity or a consultant to any other party of the Contract with respect to the subject matter of the Contract. The cancellation shall be effective when written notice from the City is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. 38-511).

<u>ARTICLE 7. APPROVAL OF CONTRACT</u>: It is understood that this Contract must be approved by the Arizona Department of Health Services. The Contractor shall provide 911 ambulance services under the authority of its CON while awaiting DHS approval, if approval is still pending at the start date of the Contract.

ARTICLE 8. ASSIGNMENT: The Contractor shall not assign any portion of the Contract for services to be rendered without first obtaining written consent from the City. Any assignment made contrary to the provisions of this Article shall terminate the Contract and, at the option of

the City, shall not convey any rights to the assignee. Any change in the Contractor's majority ownership control shall, for the purposes of this Contract, be considered a form of assignment. The City shall not unreasonably withhold its approval of the requested change in ownership, so long as the transferee is of known financial and business strength and integrity. The City may require credentials and financial information from the transferee and may base its approval or withholding of approval on the information provided. Should the Contractor elect to secure or provide certain provisions or enhancements of this Contract through various alternative sources, i.e., grants and/or foundations, such fact shall not be considered an assignment of this Contract or a violation thereof.

ARTICLE 9. PERMITS, LICENSES AND THE CERTIFICATE OF NECESSITY: The Contractor shall be responsible for and hold any and all required federal, state and local licenses and Certificates of Necessity (CON's) required to perform the duties under the Contract. In addition, the Contractor will make all necessary payments for licenses and permits to conduct its business and duties as required by the Contract or DHS. The Contractor will assure that all necessary renewals are made on time. The Contractor will be responsible for assuring that all of its personnel hold valid state and local certifications at all times required to meet the Contractor's responsibilities under the Contract.

ARTICLE 10. COMPLIANCE WITH LAWS AND REGULATIONS: All services furnished by the Contractor under the Contract shall be rendered in full compliance with all applicable federal, state, and local laws, ordinances, rules and regulations. It shall be the Contractor's sole responsibility to be fully familiar with all laws, rules and regulations that apply to the services provided by the Contractor and to comply with them at all times. Furthermore, the Contractor agrees to perform in accordance with the provisions of any regulations or written guidelines established by the City.

ARTICLE 11. FEDERAL REGULATION COMPLIANCE: The Contractor shall comply with all applicable federal regulations, including, but not limited to the Immigration Reform and Control Act of 1986 (IRCA), OSHA regulations, including Title 29, Section 1910.1200 "Hazard Communication", the Federal Medicare Anti-Kick Back statutes, 42 USCA 1320(a)-7(b), and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractor understands and acknowledges the applicability of these regulations to the Contractor. The Contractor agrees to permit City inspection of its records to verify such compliance.

ARTICLE 12. ARIZONA LAW: This Contract shall be governed and interpreted according to the laws of the State of Arizona. Venue for any court action shall be in the Superior Court, Maricopa County, Arizona.

ARTICLE 13. AUDITS AND INSPECTIONS: Authorized City representatives may at any time, and without notification, directly observe the Contractor's operation of the communications center, maintenance facility and any ambulance post location. The Contractor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the City to substantiate amounts related to the Contract shall be open to inspection and subject to audit and/or reproduction by the City's authorized representative to the extent necessary to adequately permit evaluation and verification of the terms and payments from the Contract. The City's authorized representative shall be afforded access, at reasonable times and places, to all of the Contractor's records and personnel pursuant to the provisions of this Article throughout the term of any contract and for a period of three (3) years after final payment under the terms of the Contract. A City or authorized designee may ride as an observer on any Contractor ambulance at any time, provided that in exercising this right for

inspection and observation, the City or its authorized designee shall conduct themselves professionally and shall not interfere with the duties of the Contractor's employees, and shall at all times be respectful of the Contractor's employer/employee relationships. The City or its authorized designee shall have the right to audit the reports and data that the Contractor is required to provide under the Contract. Such audits will be conducted during normal business hours with a minimum of 48 hours notice to the Contractor.

The Contractor shall require all subcontractors, insurance agents, and material suppliers (payees) to comply with the provisions of this Article by insertion of the requirements hereof in a written contract between the Contractor and payee. Such requirements will also apply to subcontractors and sub-subcontractors, etc.

If any audit discloses overcharges to the City, of any nature, by the Contractor in excess of one percent (1%) of the total patient billings, the actual cost of the City's audit shall be reimbursed to the City by the Contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed ninety (90) days) from presentation of the City's findings to the Contractor.

ARTICLE 14. RETURN OF CITY EQUIPMENT: The Contractor agrees to return any City issued equipment in good working order, normal wear and tear excepted, at the termination of the Contract. For any City equipment not returned at the conclusion of the term, or, for any equipment returned damaged or unusable, the City shall repair or replace said equipment at the Contractor's expense.

ARTICLE 15. RELATIONSHIP OF THE PARTIES: Nothing in the Contract shall be construed to create a relationship of employer and employee or principal and agent, partnership, joint venture, or any relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of the Contract. Nothing in the Contract shall create any rights or remedies in any third party, it being solely for the benefit of the City and the Contractor. The City will report any value paid for these services each year to the Internal Revenue Service using Form 1099. The City shall not withhold income tax as a deduction from contractual payments, if any. As a result of this, the Contactor may be subject to I.R.S. provisions for payment of estimated income tax. The Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

ARTICLE 16. END TERM PROVISIONS: The Contractor shall have ninety (90) days after termination of the Contract in which to supply the required audited financial statements and other such documentation necessary to facilitate the close out of the Contract at the end of the term.

ARTICLE 17. NOTICE OF LITIGATION: The Contractor shall notify the Contract Administrator within twenty-four (24) hours of any litigation or significant potential for litigation of which the Contractor is aware. Should such event occur on a holiday or weekend, the Contractor shall notify the City no later than 9:00 a.m. on the next regular business day after the holiday or weekend. Further, the Contractor will be required to warrant that it will disclose in writing to the City all litigation involving the Contractor, the Contractor's related organization, owners and key personnel which might have a detrimental impact on the Contractor or his employee's ability to carry out its operational obligations under this Contract. Such notification shall include the filing of any formal complaints with DHS, felony criminal complaint or indictment against key personnel or a misdemeanor charge of misfeasance, malfeasance or moral turpitude.

<u>ARTICLE 18. CONTRACT MODIFICATION</u>: Any amendments, modifications or variation from the terms of the Contract shall be in writing and shall be effective only after approval of all parties signing the original contract.

ARTICLE 19. CONTRACT CHANGE ORDER: The City may at any time, as the need arises, order changes within the Scope of the Work without invalidating the Contract. If such changes increase or decrease the amount of time required for performance of the work, an equitable adjustment shall be authorized by written Change Order. The City will execute a formal Change Order based on detailed written quotations from the Contractor. All Change Orders are subject to the approval of the Contract Administrator. Contract Change Orders are subject to the Rules and Procedures of the City's Procurement Code.

ARTICLE 20. AMENDMENTS TO EXHIBITS: The City Council shall approve any amendments to the Contract, provided however, that the City Manager is authorized by the City Council to review and approve any amendments to any provisions contained in any Exhibits attached to this Contract.

ARTICLE 21. EQUAL EMPLOYMENT OPPORTUNITY: During the performance of this Contract the Contractor will follow the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex or national origin.

<u>ARTICLE 22. NOTICES</u>: All notices or demands required to be given pursuant to the terms of this Contract shall be given to the Contract Administrator in writing, delivered by hand or certified mail, return receipt requested, at 8401 E. Indian School Road, Scottsdale, Arizona 85251, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

Notices shall be deemed received on the date delivered, if delivered by hand, and on the delivery date indicated on the receipt if delivered by certified mail. No facsimile or email notices shall be considered adequate notice as required herein.

<u>ARTICLE 23. ENTIRE AGREEMENT</u>: This Contract and the Exhibits attached hereto constitute the entire understanding of the parties and supersedes all previous representations, written, oral or amended with respect to the services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

<u>ARTICLE 24. CONTRACT ADMINISTRATOR</u>: The Contract Administrator for the City shall be the Fire Chief or designee. The Contract Administrator shall oversee the execution of this Contract and assist the Contractor in accessing the organization and audit billings. The Contractor shall channel reports and special requests through the Contract Administrator.

ARTICLE 25: STANDARDS AND INFORMATION ON ITEMS: The Scope of Work set forth in this Contract as Exhibit A shall be considered the minimum standards acceptable to the City. Supplies and materials used by the Contractor in carrying out its obligations under this Contract shall be of current design and meet the specifications and the Scope of Work for this Contract.

ARTICLE 26. PRODUCT ENDORSEMENT/ADVERTISING: The Contractor shall not use the name or equipment of the City for the endorsement of any commercial product or service without the expressed written permission of the City.

ARTICLE 27. SEVERABILITY: If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

<u>ARTICLE 28. FORCE MAJEURE</u>: The Contractor shall not be held responsible for the delivery of services under this Contract due to federal, state or municipal action, statute, ordinance or regulation, fire, windstorm or other incidents outside of the Contractor's control which shall make such acceptance impossible or impractical.

ARTICLE 29. PATENTS: The Contractor agrees upon receipt of notification to promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City of Scottsdale and its agents or vendors for alleged patent and/or copyright infringement, as well as for the alleged unfair competition resulting from similarity in design, trademark or appearance of goods by reason of the use or sale of any goods furnished under this Contract and the Contractor further agrees to indemnify the City against any and all expenses, losses, royalties, profits and damages including court costs and attorney's fees resulting from the bringing of such suit or proceedings including any settlement or decree of judgment entered therein. The City may be represented by and actively participate through its own counsel in any such suit or proceedings if it so desires.

ARTICLE 30. FUNDS APPROPRIATION: If funds are not appropriated by the City Council to continue this Contract, and for the payment of charges hereunder, the City may terminate this Contract at the end of the current fiscal period. The City agrees to give written notice of termination to the Contractor at least thirty (30) days prior to the end of its current fiscal period and will pay to the Contractor all charges incurred through the end of such period, if any.

ARTICLE 31. SUCCESSORS AND ASSIGNS: This Contract shall extend to and be binding upon Contractor, its successors and assigns, including any individual, company, partnership or other entity with or into which the Contractor shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which the Contractor shall sell its assets.

ARTICLE 32. ATTORNEY'S FEES: In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

<u>ARTICLE 33. COUNTERPARTS</u>: This Contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

<u>ARTICLE 34. CAPTIONS</u>: The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

ARTICLE 35. INSURANCE AND INDEMNITY PROVISIONS: The Contractor will provide, throughout the term of the Contract, insurance coverage meeting or exceeding the coverage, endorsements and notices set forth in Articles 43 through 51 below.

ARTICLE 36. ASSURANCE OF PERFORMANCE AND DEFAULTS:

- A. Continuous Service Delivery: The Contractor expressly agrees that, in the event of a default by the Contractor, the Contractor will work with the City to assure continuous delivery of services regardless of the underlying cause of the default. The Contractor agrees that there is a public health and safety obligation to assure that the City of Scottsdale is able to provide uninterrupted service delivery in the event of default even if the Contractor disagrees with the determination of default. Further the Contractor agrees that if notified by the City of a determination of default, the Contractor will cooperate fully with the termination of the Contract and challenge or appeal the matter only after the termination and replacement by the City of a new temporary CON contractor has been completed.
- B. Performance Letter of Credit or Cash Escrow Account Level of Replenishment: The Contractor will deposit with the City, an annually renewable irrevocable performance Letter of Credit in a form acceptable to the City. The amount of the performance Letter of Credit shall be one million and no/100 dollars (\$1,000,000). Because it will be impracticable to determine the actual damages in the event of Contractor's failure to perform and the establishment of a major breach or default, the parties agree that this amount is a reasonable amount for total liquidated damages. It is expressly understood that the total liquidated damages amount is not considered a penalty, but shall be deemed, taken and treated as reasonable liquidated damages. The Letter of Credit must be issued by a federally insured (FDIC) banking institution, acceptable to the City, with a debt rating of A or higher by Standard and Poor's; A or higher by Moody's investors; or, have a comparable rating by another rating system acceptable to the City. The Letter of Credit will be used to assure the operation of the ambulance service, including, but not limited to the conduct of a replacement procurement process, or related administrative expenses, should the City terminate the contract because of default.
- C. Notice of Change Required for Letter of Credit: Any performance Letter of Credit shall contain the following endorsement: "At least 60 days prior to cancellation, replacement, failure to renew, or material alteration of this performance Letter of Credit, written notice of such intent will be given to the City of Scottsdale by the financial institution. Such notice will be given by certified mail to the Scottsdale Fire Chief and City Chief Financial Officer."
- D. Cooperation Required: In the event the City terminates the Contract in accordance with its terms, the Contractor will immediately forfeit the full amount of its performance security as liquidated damages.
- E. Major Default by Contractor and Provisions for Early Termination: Conditions and circumstances that may constitute a major default of the Contract at the election of the City include but are not limited to the following:
 - 1. Failure of the Contractor to operate the system in a manner which enables the City and the Contractor to remain in compliance with federal or state laws, rules or regulations, and the requirements of DHS.
 - 2. Falsification of information supplied by the Contractor during or subsequent to this procurement process, including by way of example, but not by way of

exclusion, altering the presumptive run code designations to enhance the Contractor's apparent performance or falsification of any other data required under the Contract.

- 3. Creating patient responses or transports so as to artificially inflate run volumes.
- 4. Failure of the Contractor to provide data generated in the course of operations including by way of example, but not by way of exclusion, dispatch data, patient report data, response time data or financial data.
- 5. Excessive and unauthorized scaling down of operations to the detriment of performance during a "lame duck" period.
- 6. Failure of the Contractor's employees, on at least two (2) occasions after the City has given notice to the Contractor of the need to cure the problem, to conduct themselves in a professional and courteous manner and present a professional appearance.
- 7. Failure of the Contractor to maintain equipment in accordance with manufacturer recommended maintenance procedures.
- 8. Failure of the Contractor to cooperate with and assist the City after a default has been declared.
- 9. Acceptance by the Contractor or Contractor's employees, with the Contractor's knowledge, of any bribe, kickback or consideration of any kind in exchange for any consideration whatsoever, when such consideration or action on the part of the Contractor or Contractor's employees could be reasonably construed as a violation of federal, state or local law.
- 10. Payment by the Contractor or any of the Contractor's employees, with the knowledge of the Contractor, of any bribe, kickback or consideration of any kind to any federal, state or local public official or consultant in exchange for any consideration whatsoever, when such consideration could be reasonably be construed as a violation of any federal, state or local law.
- 11. Failure of the Contractor to meet the system standard of care as established by the City.
- 12. Failure of the Contractor to maintain insurance in accordance with the Contract.
- 13. Failure of the Contractor to meet response time requirements as set forth in Section 8 of the Scope of Work, Exhibit A attached hereto.
- 14. Failure to maintain a Letter of Credit meeting the terms and amount specified in the Contract.
- 15. Failure to submit reports and information in accordance with the terms and conditions of this Contract.

- 16. Any other failure of performance, clinical or otherwise, required in accordance with this Contract and which is determined by the Fire Chief and confirmed by the City Council to constitute a default or endangerment to public health and safety.
- 17. Failure to comply with the provisions of the EMS Program Management Plan as mutually agreed to by the City and the Contractor.

ARTICLE 37. CITY'S REMEDIES: If conditions or circumstances constituting a default occur as set forth above, the City shall have all rights and remedies available at law or in equity under the Contract, specifically including the right to terminate the Contract. The City's remedies shall be cumulative and shall be in addition to any other remedy available to the City.

ARTICLE 38. PROVISIONS FOR TERMINATION OF CONTRACT: In the event of contract breach, the City will give the Contractor written notice by certified mail, return receipt requested, or hand delivery, setting forth with reasonable specificity the nature of the breach. Within five (5) calendar days of receipt of such notice, the Contractor will deliver to the City, in writing, a plan to cure such breach. The plan will be updated, in writing, every five (5)-calendar days until the breach is cured. The Contractor shall have the right to cure such breach within thirty (30) calendar days of receipt of notice of breach. If the Contractor fails to cure such breach within the period allowed for cure (such failure to be determined by the sole and absolute discretion of the City), or the Contractor fails to timely deliver the cure plan, or updates to the City, the City may immediately terminate the Contract in accordance with the Contract. The Contractor will cooperate completely and immediately with the City to affect a prompt and orderly transfer of all responsibilities to a successor CON contractor. Any second finding of Breach during the term of the Contract or any Contract extensions may be used by the City to terminate the Contract. (A second finding of breach is not necessary before the Contract may be terminated.)

The Contractor will not be prohibited from disputing any findings of default through litigation, provided, however, that such litigation will not have the effect of delaying, in any way, the immediate transfer of operations to the successor CON contractor. Such dispute by the Contractor will not delay the City's access to funds made available by the Letter of Credit. The Contractor stipulates and agrees that these provisions are reasonable and necessary for the protection of public health and safety. Any legal dispute concerning the finding that a default has occurred will be initiated and shall take place only after the transfer of operations to the successor CON contractor has been completed, and will not, under any circumstances delay the process of transferring operations, or delay the City's access to performance security funds.

The Contractor's cooperation with and full support of the City's termination of the Contract, as well as the Contractor's immediate release of the Letter of Credit to the City will not be construed as acceptance by the Contractor of the finding of default and will not in any way jeopardize the Contractor's right of recovery should a court later find that the declaration of default was made in error. However, failure on the part of the Contractor to cooperate fully with the City to affect a smooth and safe transition shall itself constitute a breach of contract.

ARTICLE 39. "LAME DUCK" PROVISIONS: Should the Contractor fail to prevail in a future procurement cycle, or if a default is declared by the City and the Contract is terminated, the Contractor will agree to continue to provide all services required in and under the Contract until a CON holder assumes service responsibilities. Under these circumstances, the Contractor may, for a period of several months, serve as a "lame duck" contractor. To assure continued performance fully consistent with the requirements of the Contract through any such period, the following provisions will apply:

- A. The Contractor will continue all operations and support services at the same level of effort and performance that were in effect prior to the award of the subsequent contract to a competing organization, including but not limited to compliance with the provisions related to the qualifications of key personnel.
- B. The Contractor will make no changes in methods of operation, which could reasonably be considered to be aimed at cutting contractor services, and operating cost to maximize profits during the final stages of the Contract.
- C. The City recognizes that if a successor CON contractor is commencing the process of providing ambulance service in a default situation, or a competing organization should prevail in a future procurement cycle, the Contractor may reasonably begin to prepare for transition of the service to a new contractor. The City will not unreasonably withhold its approval of the Contractor's request to begin an orderly transition process, including reasonable plans to relocate staff, scale down certain inventory items, etc. as long as such transition activity does not impair the Contractor's performance during this period.
- D. During the process of subsequent competition conducted by the City, the Contractor will permit its non-management personnel reasonable opportunities to discuss with competing organizations, issues related to employment with such organizations in the event the Contractor is not the successful proposer. The Contractor may, however, require that its non-management personnel refrain from providing information to a competing organization regarding the Contractor's current operations and the Contractor may also prohibit its management personnel from communicating with representatives of competing organizations during the competition. However, once the City has made its decision regarding award, and in the event that the Contractor is not the winner, the Contractor will permit free discussion between Scottsdale based employees and the winning proposer without restriction, and without consequence to the employee.

ARTICLE 40. END TERM PROVISIONS: The Contractor shall have ninety (90) days after termination of the Contract in which to supply the required audited financial statements and other such documentation necessary to facilitate the close out of the Contract at the end of the term.

ARTICLE 41. INDEMINIFICATION: To the fullest extent permitted by law, the Contractor, its successors, assigns and guarantors, shall defend, indemnify and hold harmless the City of Scottsdale, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by the Contractor relating to work or services in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any

of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

ARTICLE 42. INSURANCE: This Contract contains two samples of Certificates of Insurance, the Standard Acord Certificate and the Certificate developed by the City of Scottsdale, as set forth in Exhibit C, attached hereto. The City Certificate is preferred, however, the Acord Certificate is acceptable provided it is identical to the sample attached and contains the additional language and deleted language as reflected on the sample.

ARTICLE 43. GENERAL INSURANCE REPRESENTATIONS AND REQUIREMENTS: Contractor shall comply with all applicable City ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of contracts, the Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City of Scottsdale. Failure to maintain insurance as specified may result in termination of this Contract at City of Scottsdale's option.

ARTICLE 44. NO REPRESENTATION OF COVERAGE ADEQUACY: By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect the Contractor. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve the Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

ARTICLE 45. COVERAGE TERM: All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of the Contract are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Contract.

ARTICLE 46. CLAIMS MADE: In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the work or services as evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three (3) year period.

ARTICLE 47. POLICY DEDUCTIBLES AND/OR SELF-INSURANCE RETENTIONS: The policies set forth in these requirements may provide coverage, which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. The Contractor shall be solely responsible for any such deductible or self-insured retention amount. The City, at its option, may require the

Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

ARTICLE 48. CERTIFICATES OF INSURANCE: Prior to commencing any work or services under this Contract, the Contractor shall furnish the City with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by the Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage, conditions, and limits of coverage and that such coverage and provisions are in full force and effect.

If a Certificate of Insurance is submitted as verification of coverage, the City shall reasonably rely upon the Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this agreement. If any of the above-cited policies expire during the life of this Contract, it shall be the Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

- A. The City, its agents, representatives, officers, directors, officials and employees shall be named an Additional Insured under the following policies:
 - 1) Commercial General Liability
 - 2) Auto Liability
 - 3) Excess Liability Follow Form to underlying insurance as required.
- B. Contractor's insurance shall be primary insurance as respects performance of subject contract.
- C. All policies, except Professional Liability insurance, if applicable, waive rights of recovery (subrogation) against the City, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by the Contractor under this Contract.
- D. The Certificate shall cite 30-day advance notice of cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

ARTICLE 49. REQUIRED COVERAGE:

Commercial General/Professional Liability

The Contractor shall maintain Commercial General Liability, including Professional Liability insurance with a limit of not less than \$10,000,000 for each occurrence, \$10,000,000 Products and Completed Operations Annual Aggregate, and a \$10,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising injury and Professional Liability. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope then underlying.

Vehicle Liability

The Contractor shall maintain Business Automobile Liability Insurance with a limit of \$10,000,000 each accident on the Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract. The Contractor shall also maintain Uninsured Motorist Insurance of at least \$10,000,000 per accident and Underinsured Motorist coverage of at least \$10,000,000 each accident. Such coverage shall include the Contractor's drivers and any City personnel drivers.

If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope then underlying.

Vehicle Physical Damage

The Contractor shall maintain Automobile Physical Damage insurance covering comprehensive and collision damage for Vehicles and personal property contained in such vehicles, including any installed electronic devise or medical equipment. Such coverage shall include the Contractor's drivers and any City personnel drivers.

Workers Compensation Insurance

The Contractor shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the Contractor's employees engaged in the performance of work or services under this Contract and shall also maintain Employers' Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

Employee Dishonesty/Fidelity Coverage

The Contractor shall maintain Crime/Fidelity coverage, including but not limited to the perils of Employee Dishonesty, robbery, theft, and disappearance or destruction of money and securities in performance of their duties under this contract. The coverage limit shall be not less than \$100,000 per loss.

Other Insurance

Upon written notice from the City, the Contractor shall obtain and cause to be in force any other insurance the City may reasonably require for the protection of the City, its employees, officials, representatives, officers, directors and agents. Likewise, the City may require, by written notice to the Contractor, an increase in the amount of any insurance to account for inflation, changes in risk, or any other factor that the City reasonably determines to affect the prudent amount of insurance to be provided.

ARTICLE 50. FEDERAL ANTI-KICKBACK STATUTE: The City has made a concerted effort to assure that its RFP and contracting process does not violate federal law, commonly known as the Anti-Kickback Statutes, Section 1128(b) of the Social Security Act, 42 U.S.C 1320a-7b. It is the belief of the City and the Contractor that this Contract does not violate the Anti-Kickback Statutes in any manner. However, should either Party hereto seek an Advisory Opinion from the Office of the Inspector General, and it is determined that any provision of this Contract violates said federal statutes, the Parties hereto agree to renegotiate this Contract to assure that

the provision(s) of the Contract determined to be in violation is restructured to eliminate any such violation from the Contract.

ARTICLE 51. USE OF SUBCONTRACTORS: Should the Contractor utilize one or more subcontractors to provide any of the Contractor's primary responsibilities, including but not limited to, ambulance response, medical transportation, staffing, training, communications, call center management, protocol development, accounts receivable management, collection activity, fleet or equipment maintenance, or any similar services, the Contractor must provide the City detailed information about the subcontractor and its relationship to the Contractor to allow the City to evaluate the quality and effectiveness of the subcontractor's role. Copies of all proposed subcontracts must be provided to the City. In any event, the City will look only to the Contractor to deliver the contracted services. The inability or failure of the subcontractor to perform any duty or deliver any contracted services will not excuse the Contractor from any responsibility under this Contract. Nothing contained in this Article shall be construed as identifying the City as a subcontractor to any ALS or Contract Labor agreements the City may enter into with the Contractor.

ARTICLE 52. AUTHORITY: Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each has been properly authorized and empowered to sign this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

ARTICLE 53. KEY PERSONNEL: The Contractor shall employ as a part of this Contract, the personnel identified in its Proposal as key personnel, throughout the term of this Contract. The Contractor shall furnish the same personnel or replacement personnel with equal or superior The City reserves the right to review proposed key personnel to assure conformance with the key personnel named in the Proposal. In addition, the Contractor shall provide the title, reporting relationship and limits of authority for the senior executive, on site. serving as the main contact person with the City.

IN WITNESS WHEREOF, three (3) identical counterparts of this Contract each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties herein above named, on the date and year first above written.

CITY OF SCOTTSDALE:	ATTEST:
Ву:	Ву:
Mary Manross, Mayor	Carolyn Jagger, City Clerk
APPROVED AS TO FORM:	
Clilland & Francisco	
Deborah Robberson, Acting City Attorney	

REVIEWED:

William McDonald Fire Chief

Suzanne Welch, Acting Risk Management

Director

Monroe C. Warren, Purchasing Director

CONTRACTOR:

Professional Medical Transport, Inc.

ADDRESS: 1501 W. Fountainhead Parkway,

Suite 650

Tempe, Arizona 85282

Bob Ramsey

Its: President

EXHIBIT A

SCOPE OF WORK

The City is contracting with Professional Medical Transport, Inc. as a single exclusive provider of emergency ground ambulance services within the City's primary service area. The Contractor will provide all emergency (911) ground ambulance service for the City of Scottsdale. Aero medical helicopter rescue services are not the responsibility of the Contractor.

All ambulance services will be provided at the Advanced Life Support (ALS) level. Additionally, the Contractor will provide automatic aid services, special contract services, and communications and medical dispatch services. The Contractor may not furnish standby coverage for special events, inter-facility transfers, long distance transfers with vehicles identified in the Contract as units dedicated to the primary service area for 911 emergencies, without the authorization of the Fire Chief or his designee.

Although the Contractor may seek outside ambulance contracts, the Contractor may not use any of the Scottsdale EMS system infrastructure or factors of production to provide service for any other purpose not covered by the Contract, unless the Contractor first presents a plan, which includes cost sharing or allocation, to the City and receives written approval from the City's Contract Administrator. Under no circumstances will such outside ambulance contracts interfere with the Contractor meeting its obligations under this Contract to the City of Scottsdale.

Section 1. City's Functional Responsibilities

Under the City's EMS system, the City has the following responsibilities:

- 1. To represent the public interest of its constituents.
- 2. Monitor compliance and enforce contractual terms.
- 3. Replace the Contractor, in case of failure to perform, with a new CON contractor.
- 4. Provide certain portions of the system infrastructure.
- 5. Provide emergency ambulance service through an exclusive contract with the Contractor.
- 6. Solicit input from the medical community about appropriate clinical standards.

Section 2. Medical Director

The position of Medical Director has been established by a City contract. The City's Medical Director is given responsibilities by the City in accordance with Arizona Administrative Regulation R9-25-204. The Contractor will use the same Base Station used by the City for Medical Control. The City currently uses Scottsdale Healthcare as its Base Station.

Section 3. Contractor's Functional Responsibilities

Under the City's EMS system, the Contractor will furnish and manage emergency ambulance dispatch, field operations and accounts receivable services including, but not limited to:

- 1. Employment of all ambulance dispatch and field personnel.
- 2. Supervision and management of Contractor's employees.
- 3. Provision and maintenance of the vehicles and equipment necessary to provide the specified services.
- 4. In-service training of Contractor's employees.
- 5. Development and management of an internal quality improvement system; as well as participate in quality improvement of the EMS system.
- 6. Purchasing and inventory control.
- 7. Support services necessary to operate the system.
- 8. Accurate completion and timely submission of approved clinical and billing related data.
- 9. Meeting contractual response times and other performance requirements in compliance with all applicable law, including but not limited to: Federal laws and regulations, State laws and regulations, this Ambulance Contract, the System Standards of Care and Approved Medical Protocols.
- 10. Participate and cooperate with the Medical Director in medical audits and investigations, with timely responses and completion of assigned tasks.
- 11. Report contract compliance on a daily, weekly and monthly basis, while providing a verifiable audit trail of documentation of that performance.
- 12. Provide patient billing and collections service.
- 13. Provide indemnification, insurance and other security as stated in this document and the final contract.

The system design places the responsibility for operational performance, and all of the factors of production necessary to cost effectively achieve that performance, under the Contractor's control.

Section 4. <u>Performance vs. Level of Effort</u>

This Contract is a performance contract rather than a level of effort contract. The City accepts the Contractor's financially guaranteed commitment to employ whatever level of effort is necessary to achieve the clinical response time and other performance results required by the terms of this Contract. Acceptance by the City of this Contract shall not be construed as acceptance of the Contractor's proposed level of effort.

Section 5. Response Time Performance

In this high performance-based contract the City does not limit the Contractor's flexibility in providing and improving EMS services. Performance that meets or exceeds the response time requirements is solely the Contractor's responsibility. An error or failure in one portion of the Contractor's operation does not excuse performance in other areas of operation.

Superior response time performance early in a month is not justification to allow inferior response time performance late in the month. Therefore, the Contractor will use its best effort

to minimize variations or fluctuations in response time performance according to day of the week, or week of the month, or time of the year.

Since the Contractor is the only provider of emergency ambulance services, patients and healthcare facilities rely on the Contractor to provide timely ambulance services. The clinical impact of poor emergency performance is enormous. Therefore, the Contractor will be required to meet or exceed the following criteria for emergency ambulance services at all times.

A. Response Time Requirements

The Contractor shall operate the emergency ambulance service system so as to achieve compliance citywide every month.

Compliance is achieved when 90% or more of responses in each Priority meet the specified response time Requirements citywide. For example, to be in compliance for Priority 1 responses, the Contractor must place an ambulance on the scene of each presumptively defined life-threatening emergency within eight (8) minutes and fifty-nine seconds (8:59) on not less than 90% of all Priority 1 responses.

The Contractor will be required to meet the following response time requirements citywide.

Priority	Maximum Allowable Response Time (Minutes)
1 (Code 3)	8:59
2 (Code 2)	11:59

Response priorities are defined according to a standard presumptive priority dispatch protocol approved by the Fire Chief. All emergency (911) ambulance dispatches are considered Priority 1. During the initial term of the Contract, the City and the Contractor may implement a system of Priority Dispatch that may categorize certain calls, based on telephone triage, into the following categories:

Priority	Definition
1	Life Threatening Emergencies
2	Non-Life Threatening Emergencies

Additional categories may be adopted by the City in the future. Any new dispatch protocols shall be reviewed by the EMS Program Management Committee, prior to implementation, to establish appropriate guidelines.

For every call in every presumptively defined category not meeting the specified response time criteria, the Contractor will submit a written report, at least monthly, in a format approved by the City, documenting the cause of the late response and the Contractor's efforts to eliminate recurrence.

B. Response Time Measurement

The response time measurement methodology employed can significantly influence operational requirements of the EMS system. The following methodology will be used throughout the Contract to measure response times.

(1) Time Intervals for Priority 1 and 2.

For the purposes of this Contract, response times will be measured from the time the call is received on the Contractor communications center Computer Aided Dispatch (CAD) terminal until the Contractor's or another authorized mutual aid Paramedic or automatic aid Paramedic staffed ground ambulance arrives at the incident location and stops the response time clock.

For all types of requests for ambulance service, the response time clock shall be stopped by transmission by Contractor's ambulance or authorized mutual aid ambulance of the "unit arrived on scene" status signal to CAD. Such transmission shall not be made until the ambulance actually arrives and is stopped at the specific address or location dispatched. In the instance of apartment or business complexes, such transmission shall not be made until the ambulance actually arrives at the point closest to the specified apartment or business to which it can reasonably be driven. Arrival on the scene of a Fire Department unit or supervisor's vehicle shall not stop the response time clock.

Arrival on scene means the moment an ambulance crew notifies the City's Dispatch Center that it is fully stopped at the location where the ambulance shall be parked while the crew exits to approach the patient. In situations where the ambulance has responded to a location other than the scene (e.g. staging areas for hazardous scenes), arrival "on scene" shall be the time the ambulance arrives at the designated staging location. The Fire Chief may require the Contractor to log time "at patient" for medical research purposes. However, during the term of this Contract, "at patient" time intervals shall not be considered part of the contractually stipulated response time.

In instances when the ambulance fails to report "on scene," the time of the next communication with the ambulance will be used as the "on scene" time. However, the Contractor may appeal such instances when it can document the actual arrival time through other means, such as a Fire Department unit assigned to the same call or Automated Vehicle Locator (AVL) position reporting.

(2) Upgrades, Downgrades and Reassignments

a. Upgrades

If an assignment is upgraded, prior to the arrival on scene of the first ALS ambulance (e.g. Priority 2 to Priority 1), the Contractor's compliance with

contract standards and liquidated damages will be calculated based on the shorter of:

- Time elapsed from call receipt to time of upgrade plus the higher priority response time standard, or
- The lower priority response time standard.

For example:

- A call is dispatched Priority 2 (required response time of 11:59) and is upgraded to Priority 1 (required response time of 8:59) after two (2:00) minutes have elapsed. Because 8:59 + 2:00 = 10:59 is shorter than 11:59, the response is subject to the Priority 1 response time requirement and is considered a Priority 1 response.
- A call is dispatched Priority 2 and is upgraded to Priority 1 after four minutes (4:00) have elapsed. Because 11:59 is shorter than 8:59 + 4:00 = 12:59, the response is subject to the Priority 2 response time requirement and is considered a Priority 2 response.

(3) Downgrades

Downgrades may be initiated by medically trained Fire Department personnel as authorized by the Medical Director. If an assignment is downgraded, prior to the arrival on scene of the first ambulance, the Contractor's compliance with contract standards and penalties will be calculated based on:

- The lower priority response time requirement, if the unit is downgraded before it would have been judged "late" under the higher priority response time requirement, or
- The higher priority response time requirement, if the unit were downgraded would have been judged "late" under the higher priority response time requirement.

(4) Reassignment Enroute

If an ambulance is reassigned from a lower prior call to a higher priority call while enroute and prior to arrival on scene, the Contractor's compliance and liquidated damages will be calculated based on the response time requirement applicable to the assigned priority of the initial response. The response time clock will not stop until the arrival of an ambulance on the scene from which the ambulance was diverted.

(5) Cancelled Enroute

If an ambulance is cancelled by an authorized agency, after an assignment has been made, but prior to the arrival of the first ambulance, and no ambulance is required at the dispatch location, the response time clock will stop at the moment of cancellation. If the elapsed response time at the moment of cancellation exceeds the response time requirement for the assigned priority of the call, the unit will be determined to be "late" and the appropriate liquidated damages will be assessed

(6) Response Times Outside of Scottsdale Service Area

The Contractor will not be held accountable for emergency response time compliance for any response dispatched to a location outside of the defined service area of Scottsdale. Responses to requests for service outside of the service area will not be counted in the total number of responses used to determine compliance.

(7) Each Incident A Single Response

Each incident will be counted as a single response regardless of the number of units that respond. The dispatch time of the first ambulance dispatched and the on scene time of the first arriving Contractor's or authorized mutual aid or automatic aid ground ambulance will be used to compute the response time for the incident.

(8) Response Time Exceptions and Exemption Requests

The Contractor shall maintain mechanisms for reserve production capacity to increase production should temporary system overload persist. However, it is understood that from time to time unusual factors beyond the Contractor's reasonable control affect the achievement of the specified response time requirement.

These unusual factors are limited to unusually severe weather conditions, declared disasters or periods of unusually high demand for emergency services. Unusually high demand for emergency services, for the purpose of considering exemption requests will be defined according to a statistical model.

For the hour of the week for which an exemption is requested, the contractor must demonstrate that at the moment the call was received, that the number of emergency calls dispatched and being worked simultaneously, exceeds the product of the following formula:

Overload = (1.5 X (1 Standard Deviation)) + The Mean

Rounded Up to the nearest whole call

For the entire population of emergency calls for that hour for the past 20 Weeks

Equipment failures, traffic congestion, ambulance failures, dispatch errors, inability to staff units and other causes will not be grounds for granting an exception to compliance with the response time requirements.

If the Contractor thinks that any response or group of responses should be excluded from the compliance calculations due to "unusual factors beyond the Contractor's reasonable control," the Contractor may provide detailed

documentation to the Contract Administrator and request that the City exclude these runs from response time calculations and late penalties. Any such request must be made in writing and received by the City Contract Administrator within five (5) business days after the end of each month. The Contract Administrator will jointly review the request and issue a determination. Should the Contractor dispute the determination made by the Contract Administrator; the Contractor may make a written appeal to the Fire Chief for a definitive ruling within five (5) days of receiving the response time calculations summary. The Fire Chief's ruling will be final and binding.

(9) Response Time Audit Trail

The Contractor will provide a system to assure a complete audit trail for all response times and assure the City access to the response time data at any time to assure compliance and to calculate liquidated damages.

Section 6. <u>Deviations From Response Time, Performance or Other Standards</u>

The Contractor understands and agrees that the failure to comply with any time, performance or other requirements in this Contract will result in damage to the City of Scottsdale and that it is and will be impracticable to determine the actual amount of such damage whether in the event of delay, nonperformance, failure to meet standards, or any other deviation; therefore, the Contractor and City agree to the liquidated damages specified in Section 7 below.

It is expressly understood and agreed that the liquidated damages amounts are not to be considered a penalty, but shall be deemed, taken and treated as reasonable liquidated damages. It is also expressly understood and agreed that the City's remedies in the event of the Contractor's default, minor or major breach or any noncompliance, are not limited to the Contract liquidated damages provisions. All liquidated damage amounts will be billed first to the Contractor, and if not paid within thirty (30) days from the date of notice, then withdrawn from the Letter of Credit. Chronic failure to comply with the response time requirements may constitute default of the Contract.

Upon either retrospective audits of calls or exemption requests, if the City finds that a call was assigned a lower priority by the Contractor than would have been assigned had the Contractor communications personnel properly followed the Medical Priority Dispatch Standards as approved by the Fire Chief or his designee, the City will measure the response time against the higher priority, and when applicable, the response will be subject to late response time liquidated damages.

Section 7. Non-performance Liquidated Damages

The following liquidated damages will be assessed when system wide response time compliance for Priority 1 or 2 transports falls below 90% for any given month:

89%	\$7,000
88%	9,000
87%	10,000
86%	11,000
85%	12,000

Failure to meet Priority 1 or 2 response time requirements for at least 90% of responses each month for 3 consecutive months or for 4 months in any contract year will be additionally defined as a major breach and may result in removal of the Contractor and forfeiture of performance security.

Section 8. Reporting Requirements

The Contractor will provide, by the seventh day of each calendar month, reports detailing its performance during the preceding month as it relates to each of the performance requirements stipulated herein. For each day that the Contractor fails to provide the reports, the City shall assess liquidated damages of \$500.

Section 9. <u>Equipment Furnished / Infrastructure Available</u>

For services rendered to the community, the City will provide to PMT, access to the radio system used by the City of Scottsdale.

The City of Scottsdale currently contracts with the City of Phoenix Fire Department Alarm Center for Fire Department Communications services. Unless modified at some later date by the City, references to the City's Communications or Dispatch Center refer to the Phoenix Fire Regional Dispatch Center.

For reasons of continuity of dispatch functions, economy of resources, EMS system oversight and performance security, the Contractor shall perform all ambulance dispatch functions required under this Contract from within a Contractor provided Communications Center or an alternative acceptable to the City.

The Contractor shall provide a CAD system that shall, at a minimum, meet the requirements described as follows:

The Contractor will be responsible for the utility and performance of the CAD through operational results. The use of any particular CAD, including the CAD provided by the City, will not excuse the Contractor from meeting performance criteria. Contractor's CAD shall fully interface with the City's Communications Center CAD.

For services rendered to the community, the City will provide access to it's Opticom Traffic Signal Pre-emption System for the dedicated 911 ambulances, including dedicated back-up ambulances. This System shall be used only for 911 responses or transports within the City's primary service area. The Contractor shall be responsible for the purchase of all equipment

necessary to install and activate, in all its 911 Ambulances, the Opticom Traffic Signal Preemption System. All equipment specifications must be approved by the City.

In addition, an AVL system shall be integrated with the Contractor's CAD system.

Section 10. Contractor Provided Equipment

The Contractor shall provide the ambulances, clinical equipment and supplies as a part of this Contract as described in Exhibit A-1, attached hereto and by reference made a part hereof. Included therein is the type of ownership of the vehicles, whether leased or otherwise.

A. Ambulance Fleet:

The Contractor's detailed plan for the management of the ambulance fleet, support vehicles and equipment, together with Contractor's preventive maintenance plan will be provided to the City in writing as a part of the EMS Program Management Plan, all subject to the prior approval of the Fire Department.

The specified ambulances shall meet the following minimum standards:

- (1) Minimum Fleet size of 125% of proposed peak deployment.
- (2) All Ambulances used as dedicated units for the City of Scottsdale shall be Type III with dual rear wheels.
- (3) All Ambulances to meet Federal Specification KKK-1822E and be certified by the manufacturer to meet these specifications. Exceptions are allowed only for those items and features that must differ from the federal specification in order to meet Arizona State requirements.
- (4) All ambulances must be specified and constructed to transport two (2) patients, one (1) contractor paramedic and one (1) Fire Department first responder in the patient compartment and one family member in the front passenger seat as well as the contractor's driver without exceeding the Original Equipment Manufacturer's specified Maximum Gross Vehicle Weight while fully equipped and fueled. For purposes of calculating this requirement, Proposers may use a standard DOT per person weight of 175 pounds. In any event, the Contractor must not exceed the manufacturer's Gross Vehicle Weight (GVW).
- (5) All ambulances markings are subject to prior City approval.
- (6) All 911 ambulances within the Scottsdale system will have an outside compartment provided with minimum dimensions of 50 inches wide by 56 inches tall by 12 inches deep, reserved, if necessary, for City firefighter equipment.

B. Fleet Safety:

As a part of its EMS Program Management Plan, the Contractor shall describe vehicle specifications and modifications designed to improve the safety of patients, firefighters and Contractor's employees. At a minimum, the following areas shall be addressed:

(1) Road Safety, Driver education and vehicle operations.

- (2) "Low Forces" driving systems.
- (3) Patient and attendant restraint and injury prevention systems.
- (4) Vehicle monitoring and record keeping systems
- (5) Fleet maintenance procedures designed to promote and enhance safety.

Section 11. Use of City Fire Stations

The Contractor may not use City Fire Stations as a part of this Contract for its equipment or staff, without the prior written approval of the Fire Chief.

Section 12. <u>Supplies for Basic and Advanced Life Support Services</u>

It shall be the Contractor's sole responsibility to provide all supplies on the ambulances necessary and/or required to perform basic and advanced life support services. The Contractor will provide as a minimum, all equipment and supplies in compliance with the current Fire Department ALS Unit equipment and supply list. The Contractor will comply with the required number, type and in some cases brand, of each item that shall be carried on every ambulance. From time to time, the Contractor may submit proposed enhancements and additions to the list. The Fire Chief or his designee may, in cooperation with the Contractor, modify the minimum equipment list for all units to reflect changing practices within the EMS system. The Contractor will be provided an opportunity to participate in the development and revision of the minimum equipment lists. The Contractor will be provided a list of Advanced Life Support (ALS) and Basic Life Support (BLS) supplies it will provide to replace supplies consumed by first responder units.

For each instance in which a Contractor's unit fails to meet the minimum equipment list, the City will assess liquidated damages of \$500. Failure to meet the minimum equipment requirement may be determined as the result of an incident related to a response or as a result of any scheduled or unscheduled ambulance inspection.

Section 13. Scene Control

The Scottsdale Fire Department has the responsibility for overall scene safety and management for all responders and patients. Where the City emergency personnel are present, the City is the sole authority at the scene. The Contractor is included in standard operating procedures within the command system. The City reserves the right, in the sole discretion of the medical authority at the scene and/or in conjunction with the City's base station physician, to provide ALS services to the patient utilizing the City's own Paramedics.

Section 14. <u>Incident Command Structure</u>

The Contractor will require its employees, including EMT's, Paramedics, Supervisors, Dispatchers and Management personnel to adhere to and participate in the Fire Department's Incident Command procedures. Ambulance crews and other personnel will participate in and fully comply with accountability procedures when involved in any incident in which the Incident Commander requires them to use the accountability system.

Section 15. <u>First Responder Equipment and Medical Supplies and Pharmaceuticals Replenishment</u>

The Contractor is authorized by the Arizona Department of Health Services to charge for Disposable Medical Supplies. Whenever the Fire Department uses disposable medical supplies at a medical incident, and the Contractor transports the patient, the Contractor shall replenish such disposable medical supplies used by the Fire Department. Reimbursement and/or exchange of disposable medical supplies shall occur either by a one-for-one exchange at the time of transport or the Fire Department may submit to the Contractor a list of requested disposable medical supplies that were not able to be exchanged on-scene. These supplies will be delivered to the Fire Department and the Fire Department will distribute them throughout its system. With regard to pharmaceuticals, some pharmaceuticals may be exchanged on-scene and others must be resupplied by the local hospital pharmacy (controlled pharmaceuticals). The local hospital will then bill the Fire Department for those pharmaceuticals and the Contractor will reimburse the Fire Department for these costs, provided the Contractor has transported the patient. Replacement of medical supplies and pharmaceuticals at the scene of an EMS incident shall be accomplished in a quick and efficient manner so as not to hinder the transportation of the patient to the hospital. The Contractor shall bill for all disposable medical supplies and pharmaceuticals in accordance with its CON and applicable State and federal laws and regulations.

The Contractor will provide to the Fire Department, in writing and subject to the approval of the Fire Department as a part of the EMS Program Management Plan, the Contractor's program to provide support to the Fire Department's First Responder Medical Supplies and Pharmaceuticals replenishment program including, management and delivery of materiel or direct replacement and restocking of disposable supplies, on a weekly basis, for transported patients. The Contractor will not fund First Responder Medical Equipment, but will return any Medical Equipment used by the patient for transport to the hospital. This includes, but is not limited to, such equipment as AED's, monitors, defibrillators, backboards, splints, and respiratory equipment.

Section 16. <u>In-Service Training</u>

The Contractor shall make available its in-service training program for the City's Fire Department, which will benefit the EMS system as a whole. This training should, at a minimum, facilitate on-scene interactions with Contractor's personnel by offering joint EMS training and provide access to the Contractor's educational programs needed for the continued certification of the City Fire Department including ACLS, BTLS or PHTLS and PALS/PEPP courses. The Contractor's Paramedics and EMT's may attend EMS classes offered by the City, subject to the availability of class space, at no charge. The Contractor will provide to the City, in writing as a part of the EMS Program Management Plan, and subject to the approval of the City, a detailed description of provision and support for Fire Department training.

Section 17. Communications System Management

For EMS services provided to the community, the City will provide the Contractor access to the radio system used by the City. The Contractor shall furnish and manage ambulance dispatch and communication services. Such services shall include, but are not limited to, dispatch personnel, in-service training, and quality improvement monitoring, and related support services.

The City provides emergency (911) Public Safety Answering Point and Fire Dispatch services through the City Fire Communications Center. The City Communications Center is currently provided through an agreement with the City of Phoenix through Phoenix Fire Regional Dispatch Center. It is the desire and intent of the Contractor to establish a direct computer interface with the Phoenix Regional Dispatch Center, subject to City of Phoenix approval. Additionally, the City may elect to amend its Dispatch Agreement with the City of Phoenix to include the dispatch of the Contractor's 911 ambulances.

A. Staffing

Staffing levels shall be such that emergency telephone lines will be answered on the first ring. The Contractor shall provide a minimum of two (2) EMS dispatch personnel at all times. City Fire Communications call-takers shall provide medically appropriate priority dispatch and pre-arrival instructions using Medical Priority Dispatch protocols.

B. Hardware

The Contractor will provide ambulance radios (mobile and portable) and Mobile Computer Terminals, dispatch equipment including consoles, furniture, CAD and AVL systems, paging systems, uninterruptible power supplies, telephone and base radios.

The City of Scottsdale currently utilizes a VHF high band (154-155mHz) radio system. The Contractor shall provide base, mobile and portable radios that enable voice interoperability by allowing the Contractor's dispatch center, ambulances and supervisors to communicate directly with Fire units and Phoenix Fire Regional Dispatch Center on radio channels and according to procedures established by the Fire Department. Field unit radios (mobile and portable) and Mobile Computer Terminals are to be acquired by the Contractor. The Contractor should be aware of the pending change over by Phoenix Fire Regional Dispatch Center to an 800 MHz system and recognize that the required changes could have an impact on their operational costs.

C. Computer Aided Dispatch System

The Contractor shall provide a computer aided dispatch system to be utilized to record dispatch information for all ambulance requests. The CAD time recording system shall include the date, hour, minutes and seconds. All radio and telephone communication including pre-arrival instructions and time track must be recorded by the Contractor on magnetic or optical media and kept for a minimum of 365 days. The computer-aided dispatch system shall meet the reporting requirements as specified herein.

Set forth in Exhibit A-2, attached hereto and by reference made a part hereof, is the Contractor's method to routinely and consistently synchronize the clocks of all data and recording systems used in the Contractor's Ambulance Communications Center with the time displayed by the City's (Phoenix Alarm) CAD. The time recorded by the City CAD will be official, and the Contractor shall install a system that will assure that at no time will the times recorded by the Ambulance CAD or any telephone or radio-recording equipment differ from the official time by more than four tenths (0.4) of one second (400 milliseconds).

D. Communications Center Personnel Qualifications

The Contractor shall provide comprehensive internal orientation and testing, encompassing Emergency Medical Dispatch (EMD) certification, CAD system use,

system status management, geography, medical priority dispatch protocols, first responder notification protocols and procedures, air medical notification procedures, disaster management policies and procedures, voice radio system operation (including medical and field communications equipment), paging system conventions and uses, data radio system operations, radio telephone, and emergency operations center procedures.

The Contractor will be responsible for the management and supervision of its employees. The Contractor and City supervisory personnel will cooperate in the resolution of problems and disputes.

The Contractor will participate in the joint Communications Center Quality Assurance/Improvement activities as required by City.

E. Priority Dispatch Protocols and Pre-Arrival Instructions

Phoenix Fire Regional Dispatch System will be responsible for Emergency Medical Dispatch procedures and call prioritization. Contractor participation in joint quality improvement may be required at City discretion.

Section 18. Communication Center Data Capabilities

The Contractor's electronic data system shall be capable of producing the following reports to be utilized in measuring response time compliance:

- A. Emergency life threatening and non-life threatening response times by jurisdiction and by user definition.
- B. Out of chute response times by crewmembers.
- C. On-scene times.
- D. Hospital drop times by crewmembers.
- E. Emergency and non-emergency responses by hour and day.
- F. Dispatch personnel response time reports.
- G. Canceled run report.
- H. Demand analysis report.
- Problem hour assessment. Call mode by hour and day.
- J. Ambulance alert exception report.

In addition, the Contractor shall fully complete a manual "dispatch card" approved by the City for each dispatch of an ambulance when the computer is inoperable. The Contractor's personnel, following the resumption of normal service of the CAD system, shall enter manual dispatch cards into the CAD system. Set forth in Exhibit A-2, attached hereto, is the Contractor's Communications Data Capabilities.

Section 19. Quality Improvement and Medical Control

The Contractor's electronic data system shall capture all data elements contained in Version 2.05 of the NHTSA Pre-hospital Uniform Dataset, released on March 19, 2004, and each of

those data elements contained in the Utstein Criteria Cardiac Arrest Core Dataset. In addition, the data system shall be capable of reporting adherence to medical dispatch protocols, adherence to primary and secondary medical priority dispatch questioning, and provision of pre-arrival instruction.

Section 20. Records

The Contractor shall operate and manage the data collection system in accordance with City standards. It is understood that the data system shall include, but not be limited to, the following generally described sources. It is also understood the Contractor shall make these records available upon request by the City.

- A. A uniform dispatch report form to the City specifications.
- B. A uniform patient care form to the City specifications.
- C. A patient care form to the City specifications.
- D. Equipment maintenance and inventory control schedules as required by the City.
- E. Deployment planning reports.
- F. Continuing education and certification records documenting training and compliance.

A patient care form shall be completed for all patients for whom care is rendered at the scene, regardless of whether the patient is transported. Patient care records should clearly identify those instances when two or more patients are transported in the same ambulance so that proper billing can be done. In order to ensure that the City can conduct system-wide quality improvement activities, at the request of the City, the Contractor shall provide to the City copies of accurately completed patient care forms including, but not limited to, correct name, address, date of birth, social security number and signature of the patient or patient representative (or clearly stated reason why patient is unable to sign) and sufficient information to appropriately document medical necessity. These patient care forms are to be delivered to the City as specified by the Fire Department.

The Contractor will provide all patient care records in an electronic format. It is the City's desire to develop a single patient records and CQI data system for use by Communications First Responders and the Contractor. Set forth in Exhibit A-3 is the Contractor's detailed information regarding the method Contractor will use to accomplish this goal, including technical specifications, edit and audit capabilities, and provisions for security.

The Contractor shall comply with all applicable federal regulations, including, but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractor understands and acknowledges the applicability of these regulations to Contractor. The Contractor agrees to permit City inspection of its records to verify such compliance.

The Contractor shall maintain, for at least three (3) years, records regarding the personnel dispatched on each responding Ambulance. The Contractor shall make available to the City a complete and current record of all personnel employed to perform Contractor's obligations under this Contract.

Patient care forms shall be delivered to the City upon request. For every patient care form not delivered within 5 days, the City will assess liquidated damages of \$125.

Section 21. Monthly Reports Required

The Contractor shall provide, by the seventh (7th) day of each calendar month, reports dealing with its performance during the preceding month as it relates to the clinical, operational and financial performance stipulated herein. The format of such reports shall be subject to City approval.

Section 22. Financial Statements

Quarterly income statements for the Contractor's operations shall be provided to the City within ninety (90) days of the end of each calendar quarter. The income statements shall include a statement of representations by a Certified Public Accountant that has direct responsibility for financial aspects of the Contractor's operations under this Contract that fairly presents the results of operations, financial positions and cash flows of the Contractor. It is understood that the City may make these financial statements available to other parties as deemed appropriate. Within ninety (90) days after the end of each fiscal year, the Contractor will provide to the City a copy of its audited financial statements.

Should audited statements not be available, the Contractor shall submit financial statements together with notarized guarantees of accuracy signed by the Chief Financial Officer and the Chief Executive Officer of the Contractor.

The Contractor shall also comply with such other miscellaneous reporting requirements as may be specified by the City from time to time.

Section 23. Internal Risk Management/Loss Control Program Required

Education and aggressive prevention of conditions in which accidents occur is the best mechanism to avoid injuries to patients and the Contractor's staff. Therefore, the Contractor shall develop and implement an aggressive loss control program including, at a minimum, physical pre-screening of potential employees (including drug testing), initial and on-going driver training monitoring of driving performance, safety restraints for patients and caregivers, infectious/communicable disease training, lifting technique training, hazard reduction training, as well as involvement of employees in planning and executing its safety program. The Contractor shall provide to the City, in writing and subject to the approval of the City, its program for internal Risk Management and Loss Control as a part of the EMS Program Management Plan.

Section 24. Stand-By and Special Events Coverage

Upon request by law enforcement and fire department dispatchers, the Contractor will respond to emergency incidents involving a potential danger to the personnel of the requesting agency or the general public.

Other community service oriented entities may request stand-by coverage from the Contractor. The Contractor is encouraged to provide such non-dedicated standby coverage to events if possible.

Section 25. Community Education Requirements

The Contractor will assist the City in taking significant steps to improve access to the 911 system and in participating in community education programs emphasizing preventative health

care. These programs are to be made available to schools, community groups and the public. It is the City's expectation that the Contractor will participate in such programs as may be designated by the Fire Chief, working collaboratively with the City and other public safety and EMS-related groups, such as the American Heart Association, the American Red Cross, as well as the Fire Department. The Contractor's minimum performance will include participation in EMS Week activities, and the provision of at least three hundred (300) unit hours each year, for use in public education or related community purposes. In addition, each year during the term of the Contract, as part of the Contractor's ongoing educational programs, the Contractor will seek the approval and cooperation of the City, to provide for the production and broadcast of two (2) injury and illness-prevention television Public Service Announcements. PR hours may. at the Contractor's option, be provided by in-service units/personnel. All programs shall be approved annually by the City and whenever possible be conducted as joint efforts with the Fire Department. The Contractor may, from time to time, detail any additional commitment to support the Fire Department's public information, education and relations efforts. The parties may, at any time, modify the types of education programs being offered. The Contractor's Community Education Program shall be a part of the EMS Program Management Plan.

Section 26. Mutual Aid

The Contractor shall, at a minimum, provide mutual aid as required by the Arizona Department of Health Services. Additionally, the Contractor may enter into mutual aid agreements with other agencies which will utilize other Contractor units to occasionally respond to calls within the City's jurisdiction, provided that the level of service is substantially equal to that provided by the Contractor and the Contract has the prior written approved of the Fire Chief. Mutual aid may be utilized to augment, but not replace, the services that the City is requiring from the Contractor. In every case, the Contractor will be held accountable for the performance, including response times, of any mutual aid provider used. The Contractor will provide a monthly report on mutual aid given and received in a format approved by the City.

Section 27. Disaster Assistance and Response

The Contractor shall be actively involved in planning for and responding to any declared disaster in the City. Both a Mass Casualty Incident Plan (MCI) and an Emergency Disaster Plan following incident command system guidelines have been developed.

- A. In the event a disaster within the City or a neighboring city is declared, normal operations shall be suspended and the Contractor shall respond in accordance with the City's Disaster Plan. The Contractor shall use best efforts to maintain primary emergency services and may suspend non-emergency service as required. During the period of a declared disaster, the City will not impose performance requirements and penalties for response times.
- B. The direct marginal costs resulting from the performance of disaster services that are non-recoverable from third parties shall be submitted to the appropriate agencies for cost recovery. Such marginal costs shall not include cost for maintaining normal levels of service during the disaster, but shall be limited to the reasonable and verifiable direct marginal cost of these additional services. The City will provide all reasonable assistance to the Contractor in recovering these costs, however, the City shall not be responsible for payments to the Contractor.

- C. During mass-casualty or disaster situations, the Contractor will ensure that the City Fire Department Dispatch Centers, appropriate hospitals and City Health Services are kept informed of patient status. The Contractor will have radio communications capability to do so and will adapt to alternative communications mechanisms, if necessary. If the primary system is not functioning, these communications capabilities will be extended to the City Fire Department at any time upon request.
- D. The Contractor will provide its two (2) disaster-response vehicles to be used to carry equipment and supplies to respond to multi-casualties and/or disasters in or outside the City's primary service area, if requested. Each vehicle will be maintained at all times and items stocked will include enough supplies to handle at least thirty (30) patients. Supplies shall include backboards and straps, cervical collars, head immobilization sets and foam wedges, splints for arms and legs, oxygen equipment, extra dressings and bandages, advanced life support equipment, including IV therapy equipment, Cityapproved disaster tags and checklists for medical-incident Command personnel. The vehicles will be extended multi-passenger vans that could be modified to carry four (4) Fire Fighter/PMT personnel and supplies.

Section 28. <u>Deployment Planning</u>

The Contractor will provide an initial deployment plan to the City. The Contractor will establish definitive hours of operation as well as unit designators as part of the established deployment plan. This plan will be reviewed by the City and may be modified to satisfy operational response time requirements with the approval of the City. The Contractor shall adopt the deployment plan using Contractor staffing only, as described in Exhibit A-4, attached hereto and by reference made a part hereof

Section 29. Program Enhancements

From time to time, the Contractor may propose EMS program enhancements that may improve the provision of emergency medical care to the City. At a minimum, the Contractor shall commit to a specific minimum annual financial reserve for clinical upgrades. These funds will accrue annually and may be spent at the direction of the Fire Chief to improve equipment and/or supplies directly related to the City's EMS 911 transportation system for joint projects between the City and the Contractor.

Additionally, the Contractor shall, as it gains experience in operating the 911 ambulance system during the term of the Contract, detail any additional offers to improve and support the City of Scottsdale EMS program. The Contractor's Program Enhancements are set forth in Exhibit A-5, attached hereto and by reference made a part hereof.

Section 30. Financial Reserve for Clinical Upgrades

The Contractor will support its clinical upgrades program by reserving the sum of fifty thousand and no/100 dollars (\$50,000.00) annually over the life of the Contract, including any extensions thereof. The Contractor may place said funds in an interest bearing account, but interest earned thereon shall accrue to the Contractor and not the City. Each annually reserved sum will be used for clinical upgrades directly related to the City's 911 EMS transportation system as well as potential EMS research projects that the City and the Contractor determine may enhance EMS service delivery in the City of Scottsdale. These funds will be spent at the direction of the Fire Chief, in consultation with the EMS Program Management Committee, to

upgrade or improve equipment and/or supplies, fund research projects, and/or insure uniformity and compatibility of equipment and supplies between the City and the Contractor during the term of the Contract. If the reserved funds are not used in any one year, the funds will roll over to the next year and will accumulate until needed. The Contractor shall provide an annual report to the City setting forth the amount of the funds held in the reserve account. The report shall be provided within sixty (60) days after the anniversary date of the commencement of this Contract.

Section 31. <u>Direct Interaction with Medical Control</u>

Field and communications personnel have the right and responsibility to interact with the system's medical leadership on all issues related to patient care. This personal professional responsibility is essential. Particular attention must be given to including safeguards against the Contractor's organization preventing or discouraging this interaction from occurring. The City recognizes the complexity of these interactions, and will not otherwise involve itself in the Contractor's labor matters.

The Contractor shall assign a person to a position dedicated solely to Quality Improvement and liaison with the City's Deputy Chief of Medical Services. The Contractor will be required to conform to the current medical protocols including trauma protocols in the System Clinical Protocols

Section 32. <u>Medical Review/Audits</u>

The goal of the medical audit process is to improve patient care by providing feedback on the system and individual performance. If the audit process is to be positive, it routinely must produce improvement in procedures, on-board equipment, and medical practices. It is the Contractor's responsibility to operationalize this corrective feedback.

To the greatest extent possible, medical audits are to be scheduled in advance for the convenience of the field personnel. The Contractor shall arrange schedule changes, if possible, to make medical audit attendance more convenient.

The City may review and categorize medical audit requests, separating those with important clinical implications or which potentially involve disciplinary action, and may resolve the matter directly without further involvement, or unnecessary inconvenience of field personnel.

The City may require that any of the Contractor's employees attend a medical audit when necessary. Employees may attend any audit with respect to any incident in which they were involved that is being formally reviewed but must maintain the confidentially of the medical audit process. Every employee involved in a case being reviewed is not required to attend unless mandated by the Deputy Chief of Medical Services.

The City shall at all times work with the Contractor to insure that procedures and processes, which are already in place in the Contractor's organization, are not altered unnecessarily.

Section 33. <u>Transport Requirement Limitations</u>

Should the Contractor determine that specific individuals have abused the required transport service of the EMS system, the Contractor shall report the names of those individuals to the City's Deputy Chief of Medical Services. The Deputy Chief of Medical Services shall establish,

within the standards of care, reasonable procedures to enable the Contractor to decline to transport such abusers after approval from on-line medical control.

Section 34. <u>Minimum Clinical Levels and Staffing Requirements</u>

All ambulances rendering services shall be staffed and equipped to render paramedic care. All PMT ambulances in Scottsdale shall be staffed with at least one Paramedic with at least two (2) years experience as an EMT-P, and one EMT-Basic. All ambulance personnel will maintain all mandatory certifications required by the Arizona Department of Health Services Bureau of EMS, including certification to practice in Arizona, CPR, and ACLS and any additional requirements imposed by the City. All Paramedics will be trained and certified in Pre-hospital Trauma Life Support (PHTLS) in accordance with the standards of the National Association of Emergency Medical Technicians (NAEMT). All ambulance personnel will receive Continuing Training for Assaultive Behavior Management, Critical Incident Stress Debriefing, training in Weapons of Mass Destruction (WMD) and Homeland Security Issues, and the START Triage system. All employees will be required to attain NIMS, ICS level 100 training during orientation, and all Supervisors and FTO/Preceptors will be required to attain level 200 or equivalent.

Section 35. Demonstrable Progressive Clinical Quality Improvement Required

The Contractor's plan to develop and implement a comprehensive quality improvement process for the EMS system shall be provided to the City, in writing and shall be subject to the approval of the City. It shall be a part of the EMS Program Management Plan. The Contractor shall include, at a minimum, medical dispatch personnel and transport personnel, and it shall be provided to the City each year during the term of the contract.

Section 36. Treatment of Incumbent Work Force

The Contractor shall use reasonable efforts to recruit employees currently working in the Scottsdale EMS system to assure a smooth transition and to encourage personnel longevity within the system. The City has expressed its desire to see the incumbent employees treated fairly.

Section 37. Character, Competence and Professionalism of Personnel

The City expects and requires professional and courteous conduct and appearance at all times from the Contractor's field personnel, medical communications personnel, middle managers and top executives.

All persons employed by the Contractor in the performance of work shall be competent and holders of appropriate licenses and permits in their respective professions and shall be required to pass a criminal record check. The Contractor shall provide documentation to the City of compliance with this provision.

Section 38. <u>OSHA and Other Regulatory Requirements</u>

It is anticipated during the term of this Contract that certain regulatory requirements for occupational safety and health, including but not limited to infection control and blood borne pathogens may be increased. The Contractor will adopt procedures that meet or exceed all requirements for dealing with these matters.

Section 39. Discrimination Not Allowed

During the performance of this Contract, the Contractor will comply with all applicable provisions of federal, state and local laws and regulations that prohibit discrimination. Specifically, the Contractor warrants that it shall:

- A. Not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, handicapped status or disability. The Contractor shall take affirmative action to ensure that applicants are treated appropriately during the application process, and that employees are treated without regard to their race, color, creed, religion, sex, national origin, handicapped status or disability. This shall include, but not limited to the following: employment; upgrading; demotion; transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship;
- B. Comply with Executive Order 11246, as amended, if applicable, and the rules, regulations and orders of the Secretary of Labor;
- C. Be responsible for determining the applicability of and compliance with any federal or state regulation enacted pursuant to: Executive Orders; federal legislation or amendments to legislation; and state legislation or amendments to legislation.

Section 40. Work Schedules and Employee Affairs – A Contractor Matter

The Contractor is responsible for conducting all affairs with its employees, including managing personnel and resources fairly and effectively in a manner that ensures compliance with the Contract, which will be ultimately executed by the Contractor. The City will not otherwise involve itself in contractor/management/employee relationships.

EXHIBITS A-1 THROUGH A-5 AND EXHIBITS BAND C BEGIN ON NEXT PAGE.

LIST OF AMBULANCES, CLINICAL EQUIPMENT AND SUPPLIES

PMT will purchase fifteen (15) new Type III; model Medic 142SSB Ambulances for use in Scottsdale.

All ambulance markings shall be subject to prior City approval and ADHS requirements. If approved, all ambulances used in providing contract services will bear the markings "Scottsdale" in at least four (4) inch letters on both sides. These vehicles will also display the "911" emergency telephone number and state the level of service, "Paramedic Unit", on both sides. Ambulance vehicles are required by ADHS to be marked PMT, but will not display any telephone number other than 911 or any other advertisement.

The new Type III, Medic 142SSB McCoy Miller ambulance can carry six individuals without exceeding the manufactures specified maximum gross vehicle weight capacity, fully fueled and fully equipped. There is enough room in the patient compartment for three paramedics, (one at the head and two on the side) in the event of a trauma patient or two patients and two paramedics in the event of a major medical incident with multiple patients and a delay in additional ambulances. The McCoy Miller Medic 142SSB is built on a 2006 Ford E-35O Cutaway, 138" Wheelbase Dual Rear Wheel Chassis with a 6.OL DI Turbo-Charged

The Contractor has installed GPS automatic vehicle locators in every ambulance and all its support vehicles and will utilize this system or its equivalent or better throughout the term of this Contract.

Equipment

All of the Contractor's Scottsdale 911 ambulances will be equipped to meet DHS standards and with the additional equipment listed in Exhibit A-5.

CLOCK SYNCHRONIZATION PLAN

PMT agrees to link its RescueNet CAD with the Phoenix Regional Dispatch Center. By linking the two (2) systems, PMT's dispatch, Data and recording systems will routinely and consistently synchronize the clocks of both data systems. The official time for all aspects of dispatch will be the time displayed for the Phoenix Regional Dispatch System. No times recorded by PMT's RescueNet system will differ from the official time by more than 4 tenths of one second. (400-milliseconds).

COMMUNICATIONS CENTER DATA CAPABILITIES

The Contractor will use the RescueNet suite of CAD software utilized by the Contractor's communications center.

The Contractor's Communications and Dispatch Center will be staffed at all times by a minimum of two (2) EMS dispatch personnel. All calls will be answered on the first ring. It is the desire and intent of the Contractor to establish a direct computer interface with the Phoenix Regional Dispatch Center, subject to City of Phoenix approval. It is the intent and desire of the Contractor to establish a direct computer interface with the Phoenix Regional Dispatch Center, subject to City of Phoenix approval. Additionally, the City may elect to amend its Dispatch Agreement with the City of Phoenix to include the dispatch of the Contractor's 911 ambulances.

Each Contractor emergency dispatcher will be Emergency Medical Dispatch (EMD) certified within six (6) months of employment. In addition, subject to City of Phoenix approval, each of the Contractor's dispatch personnel will have completed the Phoenix Regional Dispatch Center Emergency Medical Dispatcher (EMD) Training Curriculum, and will be CPR-certified. The requirement of the EMD Certification Course includes Medical Priority's EMD Course Material. There shall also be available the Advanced MPDS card sets. ProQA software.

RECORDS PROGRAM

CAD Reports

The following are standard CAD reports that will be provided by the Contractor. Reports must be able to document daily unit activities, by area and time of day on a monthly basis. Additional Custom reports will be created to meet any additional contractual requirements or requests by the City. The Contractor's system will be capable of producing custom reports for a day, month, or any specified period of time. As an example, current standard reports in the system include reports which reflect the following information:

- 1. Emergency life threatening and non-life threatening response times by jurisdiction and by user definition
- 2. Out of chute response times by crewmembers
- 3. On-scene times
- 4. Hospital drop times by crewmembers.
- 5. Emergency and non-emergency responses by hour and day.
- 6. Dispatch personnel response time reports
- 7. Canceled run report

In order to assure that all calls and transports are included in the database, in the event the system is inoperable for a period of time, the Contractor will provide a manual dispatch system to record the needed data points. When the system comes back online, the dispatch personnel will enter the information recorded during the outage to ensure that the database is complete and accurate.

Within seven (7) working days following the last day of each month, the Contractor will provide to the City ambulance response-time reports in computer-readable format approved by the Contract Manager and suitable for statistical analysis for all ambulance responses originating from requests to the Phoenix Fire Regional Dispatch Center. The record will include, at a minimum, all of the following data elements:

- 1. Unit identifier
- 2. Location of call street address
- 3. Location of call city or unincorporated community
- 4. Location of call map coordinates
- 5. Location of call latitude and longitude
- 6. Urban or rural
- 7. Nature of call (EMD code)
- 8. Code to scene
- 9. Call priority (one, two or three)
- 10. Time call received
- 11. Time call dispatched
- 12. Time unit en route

- 13. Time unit on-scene
- 14. Time unit en route to hospital
- 15. Time unit at hospital
- 16. Time unit clear and available for next call
- 17. Receiving hospital
- 18. Code to hospital
- 19. Number of patients transported
- 20. EMS incident number

The Contractor's dispatch system will provide the City and Medical Director HIPPA compliant, password protected, and fire-walled access to response time data for response time audit trail.

Backup Systems and Disaster Recovery.

The Contractor's communications center has an uninterruptible power supply to ensure no interruption of critical functions. This backup power system is tested weekly by cutting power and running on standby and generator power. In addition, the communications center maintains a backup server, which can be brought on-line in the event of a catastrophic server failure. As additional security, all databases are backed-up again at Contractor's off-site location where a separate computer dispatch system is online at all times.

The Contractor will use the ePCR program, as approved and adopted by the City.

The Contractor will use Fleet Maintenance Management Software, which offers a series of programs to track fleet and equipment repairs, parts, and service. The software is capable of tracking many types of information specific to each vehicle, including vehicle type, parts classification, odometer reading, engine hours, repair, and preventative maintenance tracking specific vehicle and equipment information to permit the system to forecast preventative maintenance based on odometer readings, time between reports, equipment usage and engine hours. Reports are automatically generated for the maintenance and operations supervisor to specify the vehicles and equipment that are approaching their service intervals.

This platform should generate reports for fuel, parts, jobs and mechanics. The system should also contain an agreed upon inventory-tracking module.

The Contractor will routinely generate such daily, monthly, annual or at will reports as the City may request.

Exhibit A-4

PMT STAFFED INITIAL DEPLOYMENT PLAN

To best address the needs of all areas of the City including variances by time of day and day of week, PMT's initial deployment plan will include a combination of eight (8) 24-hour and four (4) peak-time ambulances. PMT staffed ambulances will be located at (or near) the following locations:

The following ambulances will be staffed 24 hours per day, 7 days per week:

Scottsdale Road / Oak Street Scottsdale Road / Thomas Road Hayden Road / Camelback Road Hayden Road / Indian Bend Road Shea Blvd / 86 Street Via Linda / 110 Street Thunderbird Road / AZ101 Thompson Peak Pkwy / Pima

The following ambulances will be variable staffed, depending on time of day/day of week historical data:

Indian School Road / Miller Road Hayden Road / Cactus Road Pima Road / Jomax Road Pima Road / Legend Trail Road

In addition, PMT will utilize four (4) back-up ambulances; 2 each posted at (or near) Scottsdale Healthcare Osborn and Scottsdale Healthcare Shea Hospital Campuses.

EMS PROGRAM ENHANCEMENTS

The Contractor commits to providing the following clinical enhancements in the Scottsdale EMS system.

- 1. Pay the cost of implementing needle-less technology upon authorization by the City.
- Stryker gurneys and one Stryker Bariatric Gurney.
- 3. All Contractor's dedicated 911 ambulances are equipped with temperature controlled IV and medication storage lockers.
- 4. The sum of fifty thousand and no/100 dollars (\$50,000) per year for clinical upgrades as provided in Section 30, of the Scope of Work, Exhibit A to the Contract. If not used in one year, this sum will roll over to the next year and will accumulate until needed.
- 5. All Contractor's dedicated 911 ambulances are equipped with paraPAC Ventilators.
- 6. All Contractor's dedicated 911 ambulances are equipped with the MTP infusion pump.
- 7. All Contractor's dedicated 911 ambulances are equipped with the PORTOVENT CPAP oxygen delivery system.
- 8. Have available one Stair-chair with STAIR-TRAC System.
- 9. All Contractor's dedicated 911 ambulances are equipped with the "MediPort" rapid drug delivery system.
- 10. It is the intent of this provision that the reasonable and specific direct cost of providing contract administration, coordination and oversight be passed through and funded by user fees. Accordingly, the City will annually make a determination of the reasonable and direct costs associated with the administration, coordination and oversight of this Contract and require the Contractor to pay the City an amount equal to those costs. During the initial five (5) year term of the Contract, the City will not require the Contractor to pay more than \$70,000.00 per year for this purpose in any single contract year.
- 11. The funding and training costs associated with the expansion of any State of Arizona optional skills and/or medications for the life of the contract.
- 12. It is difficult to predict new clinical modalities and training requirements that may arise during the term of the Contract. Therefore, the Contractor agrees to reserve funds equal to 10% of the gross revenue generated by special events

and stand-by coverage in the City of Scottsdale or \$25,000.00, whichever is greater, per year to fund enhancements or upgrades in EMS training for the Scottsdale EMS system. Funds not used in one year will accumulate and be available in successive contract years. This reserve will be used to fund clinical and operational training that is above and beyond the basic continuing education efforts of the contractor. The Contractor and the City will confer and agree when specific training programs and efforts are eligible for funding under this reserve provision. The Contractor may place said funds in an interest bearing account, but interest earned thereon shall accrue to the Contractor and not the City. If the reserved funds are not used in any one year, the funds will roll over to the next year and will accumulate until needed. The Contractor shall provide an annual report to the City setting forth the amount of the funds held in the reserve account. The report shall be provided within sixty (60) days after the anniversary date of the commencement of this Contract.

- 13. A minimum of 300 unit hours each year, for use as described in Section 25 of the Scope of Work, Exhibit A to the Contract.
- 14. During each year of the Ambulance Contract, each year during the term of the Contract, as part of the Contractor's ongoing educational programs, the Contractor will seek the approval and cooperation of the City, to provide for the production and broadcast of two (2) injury and illness-prevention television Public Service Announcements.
- 15. During the term of the Contract, the Contractor will secure one hundred seventy-five (175) Automated External Defibrillators (AEDs) for use throughout the community. During the first year of the Contract, the Contractor will provide twenty five (25) AEDs, and fifteen (15) each year thereafter. The placing of the AED's will be coordinated with the Fire Department and the Base Station Hospital.
- 16. The Contractor's community relations staff will conduct in-service training for the staff member's of Scottsdale's assisted living facilities, Alzheimer's and Dementia care facilities, skilled nursing facilities and senior centers.
- 17. The Contractor will make available for use in the Primary Service Area, its two (2) disaster-response vehicles to be used to carry equipment and supplies to respond to multi-casualties and/or disasters in or outside Scottsdale, if requested as a part of the City's mutual aid policies. Each vehicle will include enough supplies to handle at least thirty (30) patients.
- 18. All Advanced Life Support (ALS) and Basic Life Support (BLS) continuing education offered to the Contractor's employees will be available to its employees and all City fire personnel at no charge. The Contractor will provide at least one four (4) hour continuing-education class three (3) times/month to meet the Arizona EMS Bureau requirements for EMS continuing education. Contractor's Paramedics and EMT's may attend EMS classes offered by the City, subject to the availability of class space, at no charge.
- 19. Return of Fire Department Personnel to their fire station after an ALS call.

- 20. In support of the Contractor's prevention programs, the Contractor will partner with the City to bring a childhood immunization program to the City of Scottsdale. The Contractor will provide all the start-up costs including training, public education and other related costs for a childhood immunization program.
- 21. Re-stock and resupply disposable BLS and ALS medical supplies used by the Fire Department personnel when treatment has been provided by City firefighters and patient care is assumed by the Contractor by reason of patient transport as more fully described in Sections 12 and 15 of the Scope of Work.
- 22. Rotation of ALS pharmaceuticals to avoid poor usage through expiration.
- 23. Integrate the Contractor's "training unit" into the Contractor's daily deployment plan to be staffed by one Scottsdale Fire Paramedic and one Contractor EMT. Each party hereto shall be responsible for paying the salaries and benefits of their respective employee. The "training unit" shall be a dedicated 911 ambulance under the same care and control as any of its other dedicated 911 ambulances.
- 25. The Contractor will support the City's Continuous Clinical Quality Improvement Team and medical direction.

EXHIBIT B

PMT CERTIFICATE OF NECESSITY NO. 71

EXHIBIT "B"

ARIZONA DEI	PARTMENT OF HEALTH SERVICES
STATE OF ARIZONA	CERTIFICATE NO.
}ss County Of Maricopa	DOCKET NO. EMS 2873
pursuant to Department of Health Servi	EENT OF HEALIH SERVICES has found, under the authority of A.R.S. \$36-2232 <u>et seq.</u> and lices rules, that public necessity requires the operation of MEDICAL TRANSPORT, INC. dbg PMT AMBULANCE
ns n ground ALS and BLS sick, injured, wounded or otherwise incop and response times:	ambulance service in the State of Arizona for the transportation of individuals who are sacitated or helpless within the following service area, with the following central operations station
Service Area: a. Cities of Phoenix, Tempe, Sun Lakes and Ahwatukee.	, Mesa, Scottsdale, Chandler, Paradise Valley, Glendale, Peoria, Gilbert,
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Department.	uspended, revoked or terminated subject to the decisions and orders, and rules of the ate shall not be assigned nor transferred unless authorized by the Arizona Department
A REGILI SUVES.	BY THE ORDER OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES, IN WITNESS WHEREOF, I SUSAN GERARD the Director of the Arizona Department of Health Services, have hereunto set my hand and caused the official seal of the Arizona Department of Health Services to be affixed at Phoenix, Arizona on August 11 2005
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Page 1 of 2

STATE OF ARIZONA		CERTIFICATE	NO.	-71-	
County Of Maricopa	٠	DOCKET NO.		EMS 2873	
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SUED August 11 2005					

Page 2 of 2

EXHIBIT C

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					MED EXP (Any one person)	\$			
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	ALL OWNED AUTOS SCHEDULED AUTOS				BODILY INJURY (Per person))	\$			
	HIRED AUTOS NON-OWNED AUTOS				BODILY INJURY (Per accident)	\$			

				City of Scotts	sdale Contract	No. 2005	-162-COS
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Description of Operations/Locations/Vehicles/Special Items: City of Scottsdale, its representatives, agents and employees, is an Additional Insured under Commercial General Liability and Auto Liability. All cited insurance shall be primary coverage and waive rights of recovery (subrogation), including Workers Compensation, against City of Scottsdale. No policy shall be canceled or materially changed without 30 days advance written notice. Certificate not valid unless signed by authorized representative of insurance company. APPLICABLE CONTRACT NUMBER:							
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CITY OF SCOTTSDALE CERTIFICATE OF INSURANCE

City De	partment:	Projec	t Title:		Contract #: (bid number)			
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City of Scottsdale Contract No. 2005-162-COS Automobile Liability Combined Single Limit ☐ Any Auto **Bodily Injury** ☐ All Owned Autos (per person) ☐ Scheduled Autos Bodily Injury ☐ Hired Autos (per accident) □ Non-Owned Autos Property Damage ☐ Garage Liability Professional Liability Each Claim All Claims □ Type ☐ Claims Made ☐ Occurrence **Excess Liability** Each Occurrence ☐ Umbrella Form Aggregate ☐ Other than umbrella form ☐ Claims Made ☐ Occurrence Workers Compensation Statutory Limits Employer's Liability Each Accident Disease-Policy Limit Disease-Each Employee Builder's Risk Other: Description of Operations/Locations/Vehicles/Special Items: City of Scottsdale, its representatives, agents and employees, is an Additional Insured under Commercial General Liability and Auto Liability. All cited insurance shall be primary coverage and waive rights to recovery (subrogation), including Workers Compensation, against City of Scottsdale. No policy shall be canceled or materially changed without 30 days advance written notice. Certificate not valid unless signed by authorized representative of Insurance Company. APPLICABLE CONTRACT NUMBER: CERTIFICATE HOLDER/ADDITIONAL INSURED Authorized Representative of the insurance company City of Scottsdale (ies) 9191 E. San Salvador Drive Scottsdale, AZ 85258 Signature: Date:

ADVANCED LIFE SUPPORT LABOR SERVICES CONTRACT

T	HIS C	CONTR	ACT,	entered	into this	the	day	of	,	2005, by	and
between	the	CITY	OF	SCOTTS	SDALE,	an	Arizona	municipal	corporation	("City"),	and
PROFES	SION	IAL ME	DICA	L TRANS	SPORT.	INC.	., an Arizo	na Corpora	ation ("Contra	ctor").	

RECITALS

Whereas, the Contractor provides and renders emergency ambulance and medical transportation services to the City by means of a separate Ambulance Contract and under the authority of its Certificate of Necessity with the Arizona Department of Health Services (DHS); and

Whereas, the City firefighter Paramedics, as a part of responding to a 911 emergency, may be required to provide Advanced Life Support Labor Services (ALS Services) and travel with the patient as he/she is being transported to the hospital in order to assure continuity of care; and

Whereas, the Contractor desires to reimburse the City for such ALS Services.

<u>AGREEMENT</u>

NOW, THEREFORE, for and in consideration of the foregoing, the mutual promises, covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. <u>Definitions.</u>

- (a) "Advanced Life Support" or "ALS" means those medical treatments, procedures (including assessment), and techniques, which may be administered or performed by ALS personnel established pursuant to A.R.S. 36-2205.
- (b) "ALS Services" means a 911 response situation in which a City firefighter Paramedic must accompany a patient to the hospital as he/she is being transported by the Contractor.
- (c) "Emergency Paramedic" or "Paramedic" means a person who has been trained in an emergency paramedic-training program and who is certified by the Director to render ALS pursuant to A.R.S. 36-2205 and Article 6 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- (d) "DHS," as used in this Agreement shall mean the State of Arizona Department of Health Services.
 - (e) "Director" means the Director of the Arizona Department of Health Services.
- (f) "Hospital" means Scottsdale Healthcare or equivalent facility for City-based advanced life support units, in accordance with DHS and approval of the Contract Administrator.

- (g) "Notice" means a written memorandum delivered by one party to the other. Notice shall be given as provided in Section 19 hereof.
- 2. <u>Commencement Date</u>. This Contract shall commence simultaneously with the commencement date of the parties' Ambulance Contract, which shall be ninety one (91) days after the date of receipt of Notice of Termination of the existing Amended Emergency Medical Services Contract with Southwest Ambulance.
- 3. <u>Term.</u> This Contract shall run concurrently with, and for the same term as, the above-referenced Ambulance Contract, beginning ninety one (91) days after the date of receipt of Notice of Termination of the existing Amended Emergency Medical Services Contract with Southwest Ambulance.
- 4. <u>Provision of ALS Services.</u> As part of the City's provision of fire and rescue services and of the Contractor's provision of emergency transportation services, there are instances in which, as determined by the City's ALS authority at the scene and/or in conjunction with the City's base station physician, a patient requires ALS services involving on-site emergency medical care and preliminary treatment procedures by the City's certified firefighter Paramedics. The City reserves the right, in the sole discretion of the medical authority at the scene and/or in conjunction with the City's base station physician, to provide ALS services to patients utilizing the City's firefighter Paramedics. When the Contractor arrives on the scene of an emergency and the City's ALS paramedic determines the need to accompany the patient to the hospital to assure continuity of care, the Contractor shall reimburse the City for the use of the City's ALS firefighter paramedic.

5. <u>Compensation.</u>

- (a) The Contractor agrees to pay the City Sixty & No/100 Dollars (\$60.00) per ambulance transport for which the City provides ALS Services during patient transport in Contractor staffed ambulances, under the provisions of this Contract. The City shall be eligible for compensation on a maximum of fifty percent (50%) of total transports. The City and the Contractor shall review and verify 6-month actual transport percentages for City provided ALS Service.
- (b) The Contractor shall, on a semi-annual basis, perform a retrospective review of actual collection percentage performance for the previous 6-month period in order to validate methodology for payment of ALS Services performed by City Paramedics. The intent of said review is to confirm that payment to the City from the Contractor falls within accepted state and federal guidelines.
- (c) Payment for ALS Services by means of wire transfer or other direct delivery method acceptable to the City shall be made to the City within thirty (30) days of receipt of an invoice from the City. Invoices shall include all records as required by the Contractor. Final payments by the Contractor for ALS Services to the City for ALS Services provided by City Paramedics shall be made within thirty (30) days after the expiration of this Contract. If the Contractor fails to pay within 30 days, the City may deduct the payment from the Contractor's Letter of Credit, provided as a party of the Ambulance Contract, and may immediately conduct an audit of the Contractor's financial records.
- 6. Return to Station. Any Fire personnel used in the transport of a patient to a hospital in the Contractor's ambulances as a part of providing ALS services will be promptly

returned by Contractor personnel to the appropriate Fire Station. The transport will be accomplished either by the transporting ambulance or one of Contractor's field supervisors. If a timely return is impossible using Contractor resources, and the Fire Department is unable to pick up its personnel, and with the prior approval of the Fire Department, a taxicab will be immediately dispatched to pick up the personnel and will be paid for by the Contractor.

7. Rates, Fares, or Charges for Ambulance Services. Nothing herein shall be construed to govern, alter, or amend the Contractor's rates, fares, or charges. All such rates, fares, or charges of the Contractor shall be in accordance with and shall not be greater or lesser than or different from the Contractor's rates, fares, or charges as may be approved, fixed, determined, established, and/or authorized by the Arizona Department of Health Services (or any successor governmental entity) regulating such rates, fares, or charges for the service provided.

8. Records.

- (a) The City shall maintain and, upon request, make available to the Contractor complete and current certification records of all the City's Paramedics employed to perform the ALS Services described herein. This includes but is not limited to copies of current ALS certifications. All records shall be maintained by the City for at least five (5) years.
- (b) The City shall provide to the Contractor, at the time of service, with all completed ALS Medical Encounter Forms for documentation of ALS services provided by the City's Paramedics to qualify for reimbursement of ALS services.
- (c) The City shall provide the Contractor, at time of service, with all necessary Medical Billing Documentation in accordance with the requirements established by the Contractor for reimbursement by third party payors, including but not limited to Medicare.
- (d) The Contractor shall provide the City, on a monthly basis, with a listing of all transports where City Paramedics determined ALS Services were required for effective patient care and City Paramedic accompanied the patient to the health care facility. This list shall include the date of service; address of pick-up location, patient's first and last name and the destination point. The Contractor shall deliver the listing to the City no later than 10 business days following the month of service. The City shall audit and validate information and invoice the Contractor for reimbursement.
- (e) The Contractor shall maintain and make available to the City accurate and complete accounting records, and individual billings, for the operations of its ambulance service pertaining to this Contract. Contractor will provide the City a report detailing outstanding ALS Fee's as of the end of the City's fiscal year (June 30). All such accounting records shall be maintained and reported in accordance with standard accounting procedures and shall be subject to periodic audit, at reasonable intervals at the request of the City. Accounting records shall be retained and maintained by the Contractor for a period of five (5) years. Nothing herein shall limit or alter the Contractor's obligation to maintain books and records as required by law and/or the Director.
- 9. <u>Organizational Status</u>. This Contract is not intended to and shall not constitute, create, give rise to, or otherwise be recognized as creating a joint venture, partnership, or any other formal business organization or association of any kind between the parties, and the rights and obligations of the parties hereunder shall be only those expressly stated in this Agreement.

The parties hereby agree that no person employed by the City in the performance of this Contract shall be an employee of the Contractor. The City shall have the total responsibility for all salaries, wages, retirement, withholding, workers' compensation insurance, unemployment compensation, other benefits and all taxes and premiums appurtenant thereto concerning any persons employed by the City in the performance of this Contract, and the City shall indemnify and hold the Contractor harmless with respect thereto. This Contract is intended to be a contract for ALS Paramedic labor only and to create an independent contractor relationship between the City and the Contractor. It is further intended to provide only for payments to the City by the Contractor for ALS Services provided by the City as described herein and not for the payment and/or reimbursement to the City for any transportation, ambulance service, disposable supplies or mileage charges. All emergency ambulance and transportation services shall be provided solely by the Contractor.

- 10. <u>Insurance and Indemnification</u>. The obligation to provide insurance, in accordance with the provisions of Articles 41 through 49 of the Ambulance Contract are made a part of this Contract and are adopted by reference as though fully set forth herein. Notwithstanding the Indemnity provisions set forth in Article 41 of the Ambulance Contract, and to the extent and in such proportion as City employees are negligent, the City shall indemnify, defend and hold harmless the Contractor for General Liability and Professional liability claims or damages caused by City employees while responding or making EMS calls that involve patient transport.
- 11 Compliance with Law. The Contractor and the City shall comply with all requirements of any federal, state, county, or city laws, statutes, ordinances, charters, codes, rules, regulations, and other governmental requirements, including but not limited to Arizona statutes and regulations and specifically, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractor understands and acknowledges the applicability of these regulations to the Contractor. The Contractor agrees to permit City inspection of their records to verify such compliance. No provision of this Contract shall be construed to require the Contractor to violate any orders or decisions issued by the Director of DHS or any governing statute or administrative rules regarding the provision of ambulance service to the public. The Contractor acknowledges that this Contract is subject to cancellation pursuant to ARS 38-511.
- 12. <u>Attorneys' Fees.</u> In the event of any litigation or other proceeding concerning this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.
- 13. <u>No Subcontracting</u>. The City shall not be permitted to subcontract all or any portion of this Contract, without the written approval of the Contractor, which the Contractor may grant or withhold in its sole discretion.
- 14. <u>Controlling Law; Venue.</u> This Contract shall be construed in accordance with and shall be controlled by the laws of the State of Arizona. Venue for any dispute arising under this Agreement shall be in the Superior Court, Maricopa County, Arizona.
- 15. <u>Miscellaneous.</u> This Contract shall not be construed to govern or affect, in any way, the Contractor's management or provision of ambulances and ambulance service.

- 16. <u>Severability</u>. If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.
- 17. <u>Amendment.</u> This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.
- 18. <u>Equal Employment Opportunity.</u> During the performance of this Contract the Contractor will follow the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex or national origin.
- 19. <u>Notices.</u> All notices or demands required to be given pursuant to the terms of this Contract shall be given to the Fire Chief in writing, delivered by hand or certified mail, return receipt requested, at 8401 E. Indian School Road, Scottsdale, Arizona 85251, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph. Electronic email or facsimile service shall not be considered notice.

IN WITNESS WHEREOF the parties hereto have placed signatures on the day and year first above written.

CITY OF SCOTTSDALE	PROFESSIONAL MEDICAL TRANSPORT INC., an Arizona corporation
Mary Manross, Mayor	Bob Ramsey, President
Attest:	
Carolyn Jagger, City Clerk	
Approved as to Form:	
Deborah Robberson, Acting Gily Attorney	

William McDonald, Fire Chief

AMBULANCE STAFFING CONTRACT LABOR AGREEMENT

	THIS AC	GREE	MENT	is ent	tered into on the		_ day of		, 200	5, by
and	between	the	CITY	OF	SCOTTSDALE,	а	municipal	corporation	("City"),	and
PRO	FESSION/	AL ME	DICAL	TRAN	NSPORT, INC., an	Ari	zona Corpoi	ration ("Contra	actor").	

RECITALS

Whereas, the Contractor provides and renders emergency ambulance and medical transportation services to the City by means of a separate Ambulance Contract under the authority of its Certificate of Necessity with the Arizona Department of Health Services (DHS); and

Whereas, the City, as a part of the emergency ambulance service provided by the Contractor, desires to provide the Contractor with firefighter/paramedic and firefighter/EMT staffing of some of the Contractor's dedicated 911 ambulances; and

Whereas, the Contractor desires to reimburse the City for such staffing Services in accordance with the terms of this Agreement.

<u>AGREEMENT</u>

NOW, THEREFORE, for and in consideration of the foregoing, the mutual promises, covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. <u>Definitions</u>.

- (a) "Advanced Life Support" or "ALS" means those medical treatments, procedures (including assessment), and techniques, which may be administered or performed by ALS personnel established pursuant to A.R.S. 36-2205.
- (b) "DHS," as used in this Agreement shall mean the State of Arizona Department of Health Services.
 - (c) "Director" means the Director of the Arizona Department of Health Services.

- (d) "Firefighter Paramedic" or "Paramedic" means a person who has been trained in an emergency paramedic-training program and who is certified by the Director to render Advanced Life Support (ALS) services and is a City of Scottsdale firefighter and is certified pursuant to A.R.S. 36-2205 and Article 6 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- (e) "Firefighter Emergency Medical Technician" or "EMT" means a person who has been trained in an emergency medical technician basic training program and is a City of Scottsdale firefighter and is certified by the Director of DHS to render Basic Life Support (BLS) pursuant to A.R.S. 36-2205 and Article 25 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- (f) "Fiscal Year" for the City of Scottsdale means the period from July 1 through June 30 of each calendar year.
- (g) "Hospital" means Scottsdale Healthcare or equivalent facility for City-based advanced life support units, in accordance with DHS and approval of the Contract Administrator.
- (h) "Notice" means a written memorandum delivered by one party to the other, as provided in Section 23 hereof.
- (i) "Qualified Contract Labor" means contract labor that is properly certified by the State of Arizona as an EMT or Paramedic and is employed by the City of Scottsdale as a firefighter.
- 2. <u>Commencement Date</u>. This Agreement shall commence simultaneously with the commencement of the parties' Ambulance Contract, which shall be ninety one (91) days after the date of receipt of Notice of Termination of the existing Amended Emergency Medical Services Agreement with Southwest Ambulance.
- 3. <u>Term.</u> This Agreement shall run concurrently with, and for the same term as, the above-referenced Ambulance Contract, beginning ninety one (91) days after the date of receipt of Notice of Termination of the existing Amended Emergency Medical Services Contract with Southwest Ambulance.
- 4. <u>Contract Labor</u>. The Contractor agrees to contract for the labor of dual-role, cross-trained firefighter EMT's and firefighter Paramedics for use in staffing an agreed number of 24-hour 911 ambulances to assist in responding to calls within the City of Scottsdale and for automatic aid under the terms of an approved automatic aid agreement, provided such automatic aid is within the Contractor's CON certificated area. Each such ambulance shall be fully staffed by City contract labor personnel assigned to the Contract Labor ambulances. It is understood that the assigned contract labor personnel must be available to respond to fulfill traditional Fire Suppression, Hazardous Materials, Rescue and other emergency responses to traditional Fire Suppression and specialty roles, provided that they are not already responding to or otherwise engaged in an ambulance response or transport. The number of firefighters to be contracted for may vary from time to time, in accordance with the needs of the parties hereto, but in any event, the City will not contract for more than four (4) EMS dedicated ambulances. The number of firefighters to be qualified contract labor and the Fire Stations where they will be stationed mutually agreed to by the City and the Contractor.

- 5. <u>Compensation</u>. For the City of Scottsdale fiscal years 2005/2006, and 2006/2007, the Contractor shall pay to the City for the contract labor services it desires, the sum of thirty four thousand eight hundred forty-two and No/100 Dollars (\$34,842.00) on a monthly basis for each fully staffed twenty-four hour (24) 911 Contract Labor Ambulance. Such compensation shall be used only to pay the City's staffing costs, including but not limited to costs of overtime pay and related employee expenses. The amount of such compensation will be adjusted annually based on changes in the City's compensation plan, costs of benefits and other related employee expenses. All such compensation shall be made monthly, on the first day of each month after the month in which the compensation is earned, by wire transfer directly to the City. If the Contractor fails to pay according to this payment schedule, and within thirty (30) days after the payment becomes due, the City may deduct the payment from the Contractor's Irrevocable Letter of Credit provided for in the Ambulance Contract.
- 6. <u>City Employees</u>. The City shall be solely responsible for all salaries, wages, retirement, withholdings, worker's compensation, occupational disease insurance, unemployment compensation, other benefits and all taxes and premiums appurtenant to said wages and all other appropriate insurance related to the City's firefighters working as Contract Labor hereunder.
- 7. Approved Vehicle Operators. All contract labor that have met the training requirements of the City for safe driving of City and Fire Department vehicles shall be authorized to operate the Contractor's vehicles under this Agreement upon approval of the Contractor's insurer. Upon approval of this Agreement, the City shall provide the Contractor copies of valid drivers' licenses and a 39-month motor vehicle record (MVR) for each approved driver and annually thereafter throughout the life of this Agreement.

8. Compliance with Contractor's Standards.

- (a) Contract labor personnel shall abide by all standards, policies and procedures established by the Contractor and shall attend all customer service, medical and billing documentation, operational and driver training education required by the Contractor at no additional cost to the City. The EMS Program Management Committee shall discuss, evaluate and implement specific standards, policies and procedures that shall be mutually agreed upon by the Parties.
- (b) Each contract labor ambulance shall operate within the Contractor's defined deployment, move-up and general operational system for 911 services. Contract labor ambulances shall not be used for non-emergency nor commercial standby services.
- (c) The City will submit a list of all personnel, with their certifications and qualifications, to the Contractor for its approval as to who is qualified and permitted to staff the Contractor's ambulances. The Contractor shall have the right to reject Fire Department personnel from the approved staffing list provided the decision is not arbitrary and has some reasonable basis in fact. Personnel shall not be placed back on the approved staffing list without the prior approval of the Contractor. The City will submit a daily staffing roster to the Contractor for each shift to ensure all personnel assigned to an ambulance are on the approved staffing list. The City will notify the Contractor of any changes in staffing that may occur during a shift due to injury, illness or other circumstances. The Contractor shall maintain control over all City contract labor while such personnel is engaged in any duty authorized by the Contractor within the operation of its ambulance services and ambulances. The Contractor maintains the exclusive right to approve all contract labor personnel and also maintains the right to exclude

contract labor personnel that do not meet the Contractor's standards, provided the decision is not arbitrary and has some reasonable basis in fact.

- 9. <u>Indemnification of Contractor.</u> Notwithstanding the Indemnification Clause set forth in the Ambulance Contract and the ALS Life Support Services Labor Contract, for events occurring under the term of this Contract, the City will hold harmless, defend and indemnify the Contractor to the extent and in such proportion as the City is determined to be negligent. In those instances where City personnel have the care, custody and control of the Contractor's vehicles or where City personnel respond to calls, the City shall be responsible to provide its own insurance for general liability, vehicular liability, patient and medical liability, or self-insurance to cover its interests, the City will be responsible for the accidental physical damage to Contractor-owned vehicles while in the care, custody and control of the City, unless any loss is caused by the Contractor's failure to properly maintain the vehicles.
- 10. <u>Use of City Fire Stations</u>. Notwithstanding the provisions of the Ambulance Contract prohibiting Contractor use of City Fire Stations, should the City elect to enter into this Agreement, all Contract Labor Ambulances shall be stationed at such City Fire Stations as the City may elect and as necessary to fulfill the Contractor's Response Time obligations. The Parties hereto shall establish such rules and guidelines as are deemed reasonably necessary to provide for the stationing of such Contract Labor Ambulances at City Fire Stations. Set forth in Exhibit B, attached hereto and by reference made a part hereof, is the initial ambulance deployment plan to be used by the Contractor should the City elect to enter into this Agreement. This deployment plan shall replace and supercede the deployment plan set forth in Exhibit A-4 to the Ambulance Contract, upon the Commencement date of this Agreement.
- 11. Organizational Status. This Agreement is not intended to and shall not constitute, create, give rise to, or otherwise be recognized as creating a joint venture, partnership, or any other formal business organization or association of any kind between the parties, and the rights and obligations of the parties hereunder shall be only those expressly stated in this Agreement. The parties hereby agree that no person employed by the City in the performance of this Agreement shall be an employee of the Contractor. This Agreement is intended to be a contract for Contract Labor services only and to create only an independent contractor relationship between the City and the Contractor. It is further intended to provide only for payments to the City by the Contractor for Contract Labor Services provided by the City as described herein and not for the payment and/or reimbursement to the City for any transportation, ambulance service, disposable supplies or mileage charges. All emergency ambulance and transportation services shall be provided solely by the Contractor.
- 12. <u>Indemnification and Insurance</u>. The provisions of Articles 41 through 49 of the Ambulance Contract are made a part of this Agreement and are adopted by reference as though fully set forth herein.
- 13. <u>Amendment of Ambulance Contract</u>. Should the City, at any time during the term of the Ambulance Contract, elect to enter into this Contract Labor Services Agreement, the EMS Program Enhancements set forth in the Ambulance Contract in Exhibit A-5 shall be deleted from the Ambulance Contract and shall be replaced in their entirety by the EMS Program Enhancements set forth in Exhibit A to this Contract Labor Services Agreement, attached hereto and by reference made a part hereof. All other and remaining provisions of the Ambulance Contract not amended herein shall remain in full force and effect.

- 14. <u>HIPAA Reporting Requirements</u>. The Parties agree to comply with the provision of the Health Insurance Portability and Accountability Act of 1996, related regulations, ("HIPAA") in the event that either party receives patient records or information (Protected Health Information as defined by HIPAA). In particular, the Parties agree to comply with the provisions set forth in Exhibit C regarding such Protected Health Information. Each Party's obligations set forth in this Section 14 shall survive the expiration or termination of this Agreement regardless of the reason for such termination.
- 15. Compliance with Law. The Contractor and the City shall comply with all requirements of any federal, state, county, or city laws, statutes, ordinances, charters, codes, rules, regulations, and other governmental requirements, including but not limited to Arizona statutes and regulations. No provision of this Agreement shall be construed to require the Contractor to violate any orders or decisions issued by the Director of DHS or any governing statute or administrative rules regarding the provision of ambulance service to the public. The Contractor acknowledges that this Agreement is subject to cancellation pursuant to ARS 38-511.
- 16. <u>Attorneys' Fees</u>. In the event of any litigation or other proceeding concerning this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.
- 17. <u>No Subcontracting.</u> The City shall not be permitted to subcontract all or any portion of its obligations under this Agreement, without the written approval of the Contractor, which approval the Contractor may grant or withhold in its sole discretion.
- 18. <u>Controlling Law; Venue</u>. This Agreement shall be construed in accordance with and shall be controlled by the laws of the State of Arizona. Venue for any dispute arising under this Agreement shall be in the Superior Court, Maricopa County, Arizona.
- 19. <u>Miscellaneous.</u> This Agreement shall not be construed to govern or affect, in any way, the Contractor's management or provision of ambulances and ambulance service.
- 20. <u>Severability.</u> If any term or provision of this Agreement shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.
- 21 <u>Amendment</u>. This Agreement may not be modified or amended except by a written document, signed by authorized representatives of each party.
- 22. <u>Equal Employment Opportunity.</u> During the performance of this contract the Contractor will follow the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex or national origin.
- 23. <u>Notices.</u> All notices or demands to the City required to be given pursuant to the terms of this Agreement shall be given to the Fire Chief in writing, delivered by hand or certified mail, return receipt requested, at 8401 E. Indian School Road, Scottsdale, Arizona 85251, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph. All notices and demands to the Contractor required to be given pursuant to the terms of this Agreement shall be given to Pat Cantelme, 1501 W. Fountainhead

Parkway, Suite 650, Tempe, Arizona 85282. Electronic email or facsimile transmissions shall not be considered notice.

IN WITNESS WHEREOF the parties hereto have placed signatures on the day and year first above written.

CITY OF SCOTTSDALE	PROFESSIONAL MEDICAL TRANSPORT, INC., an Arizona corporation
Mary Manross, Mayor	Bob Ramsey, President
Attest:	,
Carolyn Jagger, City Clerk	
Approved as to Form:	

Reviewed:

EXHIBIT A

EMS PROGRAM ENHANCEMENTS

The Contractor commits to providing the following clinical enhancements in the Scottsdale EMS system.

- 1. Pay the cost of implementing needle-less technology upon authorization by the City.
 - 2. Stryker gurneys and one Stryker Bariatric Gurney.
- 3. All Contractor's dedicated 911 ambulances are equipped with temperature controlled IV and medication storage lockers.
- 4. The sum of Fifty Thousand and No/100 Dollars (\$50,000.00) per year for clinical upgrades as provided in Section 30, of the Scope of Work, Exhibit A to the Ambulance Contract. If not used in one year, this sum will roll over to the next year.
- 5. All Contractor's dedicated 911 ambulances are equipped with paraPAC Ventilators.
- 6. All Contractor's dedicated 911 ambulances are equipped with the MTP infusion pump.
- 7. All Contractor's dedicated 911 ambulances are equipped with the PORTOVENT CPAP oxygen delivery system.
 - 8. Have available one Stair-chair with STAIR-TRAC System.
- 9. All Contractor's dedicated 911 ambulances are equipped with the "MediPort" rapid drug delivery system.
- 10. The funding and training costs associated with the expansion of any State of Arizona optional skills and/or medications for the life of the contract.
- 11. It is difficult to predict new clinical modalities and training requirements that may arise during the term of the Contract. Therefore, the Contractor agrees to reserve funds equal to 10% of the gross revenue generated by special events and stand-by coverage in the City of Scottsdale or \$25,000.00, whichever is greater, per year to fund improvements or upgrades in EMS training for the Scottsdale EMS system. Funds not used in one year will accumulate and be available in successive contract years. This reserve will be used to fund clinical and operational training that is above and beyond the basic continuing education efforts of the Contractor. The Contractor and the City will confer and agree when specific training programs and efforts are eligible for funding under this reserve provision. The Contractor may place said funds in an interest bearing account, but interest earned thereon shall accrue to the Contractor and not the City. If the reserved funds are not used in any one year, the funds will roll over to the next year and will accumulate until needed. The Contractor shall provide an annual report to the City setting forth the amount of the funds held in the reserve account. The report shall be provided within sixty (60) days after the anniversary date of the commencement of this Contract.

- 12. A minimum of 300 unit hours each year, for use as described in Section 25 of the Scope of Work, Exhibit A to the Ambulance Contract.
- 13. During each year of the Ambulance Contract, as part of the Contractor's ongoing educational programs, the Contractor will seek the approval and cooperation of the City, to provide for the production and broadcast of two (2) injury and illness-prevention television Public Service Announcements.
- 14. During the term of the Contract, the Contractor will secure one hundred seventy-five (175) Automated External Defibrillators (AEDs) for use throughout the community. During the first year of the Contract, the Contractor will provide twenty five (25) AEDs, and fifteen (15) each year thereafter. The placing of the AED's will be coordinated with the City and the Base Station Hospital.
- 15. The Contractor's community relation's staff will conduct in-service training for the staff members of Scottsdale's assisted living facilities; Alzheimer's and Dementia care facilities, skilled nursing facilities and senior centers.
- 16. The Contractor will make available for use in the Primary Service Area, its two (2) disaster-response vehicles to be used to carry equipment and supplies to respond to multicasualties and/or disasters in or outside Scottsdale, if requested as a part of the City's mutual aid policies. Each vehicle will include enough supplies to handle at least thirty (30) patients.
- 17. All Advanced Life Support (ALS) and Basic Life Support (BLS) continuing education offered to the Contractor's employees will be available to its employees and all City fire personnel at no charge. The Contractor will provide at least one four (4) hour continuing-education class three (3) times/month to meet the Arizona EMS Bureau requirements for EMS continuing education. Contractor's Paramedics and EMT's may attend EMS classes offered by the City, subject to the availability of class space, at no charge.
 - 18. Return of Fire Department Personnel to their fire station after an ALS call.
- 19. In support of the Contractor's prevention programs, the Contractor will partner with the City to bring a childhood immunization program to the City of Scottsdale. The Contractor will provide all the start-up costs including training, public education and other related costs for a childhood immunization program.
- 20. Re-stock and resupply disposable BLS and ALS medical supplies used by the Fire Department personnel when treatment has been provided by City firefighters and patient care is assumed by the Contractor by reason of patient transport as more fully described in Sections 12 and 15 of the Scope of Work.
 - 21. Rotation of ALS pharmaceuticals to avoid poor usage through expiration.
- 22. Integrate the Contractor's "training unit" into the Contractor's daily deployment plan to be staffed by one Scottsdale Fire Paramedic and one Contractor EMT. Each party hereto shall be responsible for paying the salaries and benefits of their respective employee. The "training unit" shall be a dedicated 911 ambulance under the same care and control as any of its other dedicated 911 ambulances.

23. The Contractor will support the City's Continuous Clinical Quality Improvement Team and medical direction.

Exhibit B CONTRACT LABOR INITIAL DEPLOYMENT PLAN

To best address the needs of all areas of the City including variances by time of day and day of week, PMT's initial deployment plan will include a combination of seven (7) 24-hour and four (4) peak-time ambulances. PMT staffed ambulances will be located at (or near) the following locations:

The following ambulances will be staffed 24 hours per day, 7 days per week:

Scottsdale Road / Thomas Road Hayden Road / Camelback Road Hayden Road / McDonald Road

The following ambulances will be variable staffed, depending on time of day / day of week historical data:

Scottsdale Road / Oak Street Hayden Road / Via de Ventura Road Cactus Road / AZ101 Frank Lloyd Wright / AZ101

PMT also will provide up to four (4) 24-hour ambulances staffed with City Fire Fighters. These ambulances (Rescues) will be located at the following locations:

1.	R605	FS605	7455 E. Shea Blvd
2.	R606	FS606	10850 E. Via Linda
3.	R611	FS611	20355 N. Pima Road
4.	R615	FS615	31802 N. Pima Road

In addition, PMT will utilize four (4) back-up ambulances; 2 each posted at (or near) Scottsdale Healthcare Osborn and Scottsdale Healthcare Shea Hospital Campuses.

EXHIBIT C

PROTECTED HEALTH INFORMATION

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective ______, ("Effective Date"), is entered into by and between the City of Scottsdale, a municipal corporation, (the "Business Associate") and Professional Medical Transport, (the "Covered Entity") (each a "Party" and collectively the "Parties").

RECITALS

The Business Associate is a service provider on an independent contractor basis and the Covered Entity is an ambulance provider receiving services from Contractor. The Parties have a prior Agreement (the "Underlying Agreement") under which the Business Associate regularly uses and/or discloses Protected Health Information in its performance of the Services described in the Agreement. Both Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Regulation") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA)". This Agreement sets forth the terms and conditions pursuant to which Protected Health Information that is provided by, or created or received by, the Business Associate from or on behalf of the Covered Entity ("Protected Health Information") will be handled between the Business Associate and the Covered Entity and with third parties during the term of the Agreement, and after its termination. The Parties agree as follows:

ARTICLE 1 PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 1.1 <u>Services.</u> Pursuant to the Agreement, Business Associate provides services ("Services") for the Covered Entity that involve the use and disclosure of Protected Health Information. Except as otherwise specified herein, the Business Associate may make any and all uses of Protected Health Information necessary to perform its obligations under the Underlying Agreement. All other uses not authorized by the Underlying Agreement are prohibited. Moreover, Business Associate may disclose Protected Health Information for the purposes authorized by this Agreement only (i) to its employees, subcontractors and agents, in accordance with Section 2.1(d), (ii) as directed by the Covered Entity, or (iii) as otherwise permitted by the terms of this Agreement including, but not limited to, Section 1.2 below.
- 1.2 <u>Business Activities of the Business Associate.</u> Unless otherwise limited herein, the Business Associate may use the Protected Health Information in its possession for its proper management and administration and to fulfill any present or future legal responsibilities of the Business Associate provided that such uses are permitted under state and federal confidentiality laws.

Article II <u>RESPONSIBILITIES OF THE PARTIES</u> WITH RESPECT TO PROTECTED HEALTH INFORMATION

2.1 <u>Responsibilities of the Business Associate.</u> With regard to its use and/or disclosure of Protected Health information, the Business Associate hereby agrees to do the following:

- a. use and/or disclose the Protected Health Information only as permitted or required by this Agreement or as otherwise required by law.
- b. report to the designated Privacy Officer of the Covered Entity, in writing, any use and/or disclosure of the Protected Health Information that is not permitted or required by this Agreement of which Business Associate becomes aware within ten (10) days of the Business Associate's discovery of such unauthorized use and/or disclosure.
- c. use commercially reasonable efforts to maintain the security of the Protected Health Information and to prevent unauthorized use and/or disclosure of such Protected Health Information.
- d. require all of its subcontractors and agents that receive or use, or have access to, Protected Health Information under this Agreement to agree, in writing, to adhere to the same restrictions and conditions on the use and/or disclosure of Protected Health information that apply to the Business Associate pursuant to section 2 of this Agreement.
- e. make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of Protected Health Information to the Secretary of HHS for purposes of determining the Covered Entity's compliance with the Privacy Regulation, subject to attorney-client and other applicable legal privileges.
- f. upon prior written request, make available during normal business hours at Business Associate's offices all records, books, agreements, policies and procedures relating to the use and/or disclosure of Protected Health Information to the Covered Entity within ten (10) days for purposes of enabling the Covered Entity to determine the Business Associate's compliance with the terms of this Agreement.
- g. within 30 days of receiving a written request from the Covered Entity, provide to the Covered Entity such information as is requested by the Covered Entity to permit the Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's Protected Health Information hi accordance with 45 C.F.R. §164.528.
- h. subject to Section 3.4 below, return to the Covered Entity the Protected Health Information in its possession and retain no copies (which for purposes of this Agreement shall mean destroy all backup tapes).
- i. disclose to its subcontractors, agents or other third parties, and request from the Covered Entity, only the minimum Protected Health Information necessary to perform or fulfill a specific function required or permitted hereunder.
- j. within thirty business days of a request by Covered Entity, Business Associate agrees to comply with Covered Entity's request to accommodate an individual's access to his/her Protected Health Information. In the event an individual contacts Business Associate directly about access to Protected Health Information, Business Associate will not provide access to the individual but shall forward such request to Covered Entity within three business days of such contact.
- k. within thirty business days of a request by Covered Entity, Business Associate agrees to comply with Covered Entity's request to make amendments to Protected Health 2339514v1

Information. Business Associate shall promptly incorporate any such amendments into the Protected Health Information. In the event an individual contacts Business Associate directly about making amendments to Protected Health Information, Business Associate will not make any amendments to the individual's Protected Health Information but shall forward such request to Covered Entity within three business days of such contact.

- 2.2 <u>Responsibilities of the Covered Entity.</u> With regard to the use and/or disclosure of Protected Health Information by the Business Associate, the Covered Entity hereby agrees:
- a. to inform the Business Associate of any changes in the form of notice of privacy practices (the "Notice") that the Covered Entity provides to individuals pursuant to 45 C.F.R. §164.520, and provide the Business Associate a copy of the Notice currently in use.
- b. to inform the Business Associate of any changes in, or withdrawal of, the consent or authorization provided to the Covered Entity by individuals pursuant to 45 C.F.R. §164.506 or §164.508.
- c. to notify the Business Associate, in writing and in a timely manner, of any arrangements permitted or required of the Covered Entity under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of Protected Health Information by the Business Associate under this Agreement, including, but not limited to, restrictions on use and/or disclosure of Protected Health Information as provided for in 45 C.F.R. §164.522 agreed to by the Covered Entity.
- d. that Business Associate may make any use and/or disclosure of Protected Health Information permitted under 45 C.F.R. §164.512 except uses or disclosure for research are not permitted without prior approval by the Covered Entity.

Article III TERM AND TERMINATION

- 3.1 <u>Term.</u> This Agreement shall become effective on the date of the Underlying Agreement, and shall continue in effect until all obligations of the Parties have been met, unless terminated as provided in this Section 3. hi addition, certain provisions and requirements of this Agreement shall survive its expiration or other termination. Either party may terminate this Agreement upon written notice to the other party.
- 3.2 <u>Termination by the Covered Entity.</u> As provided for under 45 C.F.R. §164.504(3)(2)(iii), the Covered Entity may immediately terminate this Agreement and any related agreements if the Covered Entity makes the determination that the Business Associate has breached a material term of this Agreement. Alternatively, the Covered Entity may choose to: (i) provide the Business Associate with ten (10) days written notice of the existence of an alleged material breach; and (ii) afford the Business Associate an opportunity to cure said alleged material breach upon mutually agreeable terms. Nonetheless, in the event that mutually agreeable terms cannot be achieved within ten (10) days, Business Associate must cure said breach to the satisfaction of the Covered Entity within ten (10) days. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Agreement.
- 3.3 <u>Automatic Termination.</u> This Agreement will automatically terminate without any further action of the Parties upon the termination or expiration of the Underlying Agreement.

3.4 Effect of Termination. Upon the event of termination pursuant to this Section 3, Business Associate agrees to return or destroy all Protected Health Information pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I), if it is feasible to do so. Prior to doing so, the Business Associate further agrees to recover any Protected Health Information in the possession of its subcontractors or agents. If it is not feasible for the Business Associate to return or destroy said Protected Health Information, the Business Associate will notify the Covered Entity in writing. Said notification shall include: (i) a statement that the Business Associate has determined that it is infeasible to return or destroy the Protected Health Information in its possession, and (ii) the specific reasons for such determination. Business Associate further agrees to extend any and all protections, limitations and restrictions contained in this Agreement to the Business Associate's use and/or disclosure of any Protected Health Information retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information infeasible. If it is infeasible for the Business Associate to obtain, from a subcontractor or agent any Protected Health Information in the possession of the subcontractor or agent, the Business Associate must provide a written explanation to the Covered Entity and require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and or agents' use and/or disclosure of any Protected Health Information retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information infeasible.

Article IV CONFIDENTIALITY

Confidentiality Obligations. In the course of performing under this Agreement, each Part may 4.1 receive, be exposed to or acquire the Confidential Information including but not limited to, all information, data, reports, records, summaries, tables and studies, whether written or oral, fixed in hard copy or contained in any computer data base or computer readable form, as well as any information identified as confidential ('Confidential Information") of the other Party. For purposes of this Agreement, "Confidential Information" shall not include Protected Health Information, the security of which is the subject of this Agreement and is provided for elsewhere. The Parties including their employees, agents or representatives (i) shall not disclose to any third party the Confidential Information of the other Part except as otherwise permitted by this Agreement, (ii) only permit use of such Confidential Information by employees, agents and representatives having a need to know in connection with performance under this Agreement, and (iii) advise each of their employees, agents and representatives of their obligations to keep such Confidential Information confidential. Notwithstanding anything to the contrary herein, each Party shall be free to use, for its own business purposes, any ideas, suggestions, concepts, know how or techniques contained in information received from each other that directly relates to the performance under this Agreement. This provision shall not apply to Confidential Information: (a) after it becomes publicly available through no fault of either Party; (b) which is later publicly released by either Party in writing; (c) which is lawfully obtained from third parties without restriction; or (d) which can be shown to be previously known or developed by either Party independently of the other Party.

Article V MISCELLANEOUS

5.1 <u>Covered Entity.</u> For purposes of this Agreement, Covered Entity shall include all entities covered by the joint notice of information practices (or privacy notice).

- 5.2 <u>Business Associate</u>. For purposes of this Agreement, Business Associate shall include the named Business Associate herein.
- 5.3 <u>Amendments; Waiver.</u> This Agreement may not be modified, nor shall a provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.
- 5.4 <u>No Third Party Beneficiaries.</u> Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.
- 5.5 <u>Notices.</u> Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or (other than for the delivery of fees) via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

If to Covered Entity, to:

ATTN: Fire Chief Scottsdale Fire Department 8401 E. Indian School Road Scottsdale, Arizona 85251 FAX: ATTN: Administration
Professional Medical Transport
1501 W. Fountainhead Parkway – Suite 650
Tempe Arizona 85282
FAX: (602) 470 - 8267

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner herein above provided.

- 5.7 <u>Counterparts; Facsimiles.</u> This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.
- 5.8 <u>Disputes.</u> If any controversy, dispute or claim arises between the Parties with respect to this Agreement, the Parties shall make good faith efforts to resolve such matters informally.
- 5.9 <u>Attorneys' Fees.</u> Should a party engage an attorney to enforce or interpret the rights and obligations under this Agreement, the prevailing party shall be entitled to recover that party's attorneys' fees and costs.

Article VI DEFINITIONS

- 6.1 <u>Designated Record Set.</u> Designated Record Set shall have the meaning set out in its definition at 45 C.F.R. §164.501, as such provision is currently drafted and as it is subsequently updated, amended or revised.
- 6.2 <u>Health Care Operations.</u> Health Care Operations shall have the meaning set out in its definition at 45 C.F.R. §164.501, as such provision is currently drafted and as it is subsequently updated, amended or revised.

- 6.3 <u>Privacy Officer.</u> Privacy Officer shall have the meaning set out in its definition at 45 C.F.R. §164.530(a)(I), as such provision is currently drafted and as it is subsequently updated, amended or revised.
- 6.4 <u>Protected Health Information.</u> Protected Health Information shall have the meaning set out in its definition at 45 C.F.R. §164.501, as such provision is currently drafted and as it is subsequently updated, amended or revised.

IN WITNESS WHEREOF, each of the under name and on its behalf effective as,	ersigned has caused this Agreement to be duly executed in its, 2005.
COVERED ENTITY:	BUSINESS ASSOCIATE:
Professional Medical Transport	City of Scottsdale
Ву	By
Printed Name	
Its	
Date	Date

Emergency Ambulance Service

City of Scottsdale Fire Department

Overview

- Vision
- History
- System overview
- Response time
- Objective process
- ◆ RFP requirements
- PMT proposal
- Analysis
- Recommendations

Vision

To provide the highest quality prehospital emergency medical services to the City of Scottsdale community.

History

- ◆ Integrated Fire and EMS system
 - 1993, Rural/Metro
- Southwest Ambulance purchased
 - 1997, Rural/Metro
- Separation of Master Contract
 - 2002, agreement assumed to complement each other
- Competitive process recommended
 - **2005**
- ♦ New Interim (1 year) agreement
 - 2005, SouthWest Ambulance

Emergency Medical System

- City of Scottsdale
 - 13 fire stations
 - 13 engines, 3 ladder trucks
 - Advanced Life Support, Paramedics
 - ◆ 3 or 4 cross trained Firefighters
- Southwest Ambulance
 - 10 minute response time, 90 % of the time
 - ◆ 1 Paramedic, 1 EMT

What happens when I call 9-1-1?

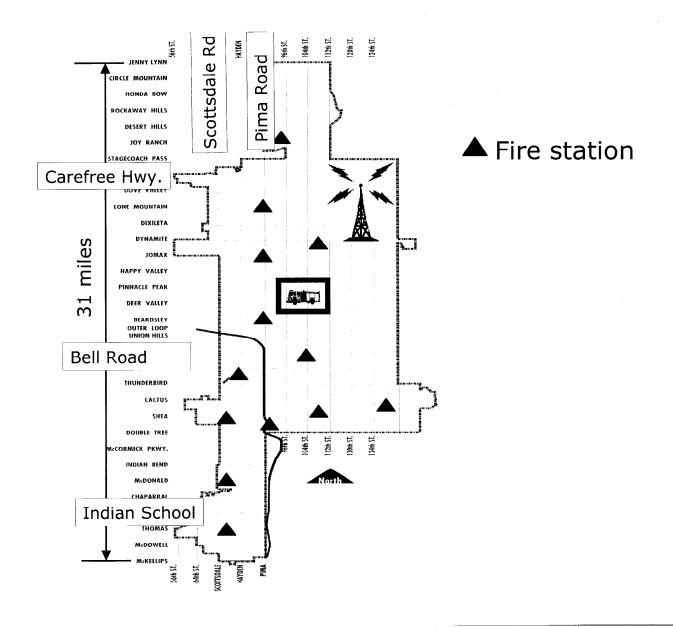


Computer Aided Dispatch (CAD)



On-board computers





Picture of a crew working an incident

Response time

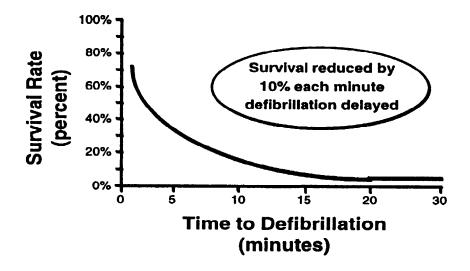
- Request for emergency service
 - Call answering
- Dispatcher interview
 - Call processing
- Fire company alert
 - Turnout
- Response to incident
 - Travel

Response time performance

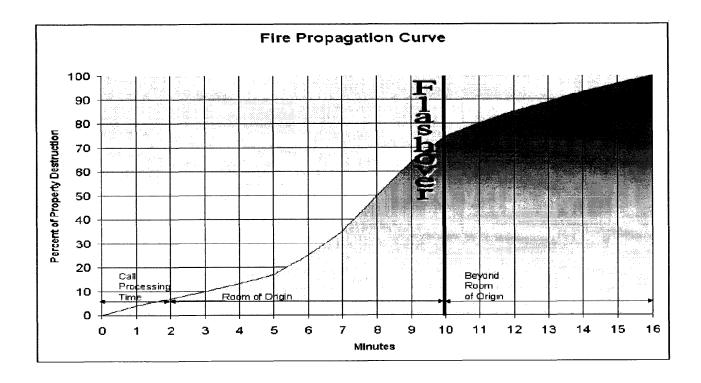
- Fire Department
 - Average response time
 - % of incidents within 5 minutes
 - 90% performance
- Current ambulance performance
 - Average response time
 - % of incidents within 5 minutes
 - 90% performance*
 - Incidents resulting in patient being transported to hospital

Chain of Survival

American Heart Association



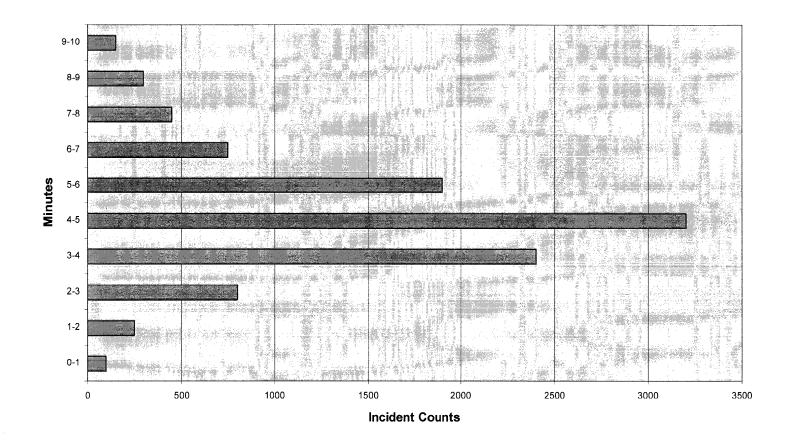
Flashover



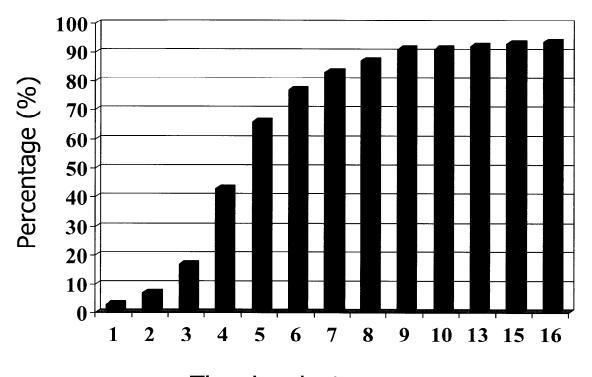
Definitions

- Average response time
 - Total response time/number of incidents
 - Averages short and long response times
- Fractile (percentage) response time
 - More specific and rigorous
 - Considers each incident
 - High performance

Response Time



Fractile (%) Response Time



Time in minutes

Open competitive process

- Consistent with Procurement Code
- Improves the potential of the interests of community being met
- Specifies and defines scope of services
- Identifies evaluation process in measurable terms
- Maximizes objective decision making

Goals and objectives

- Objective analysis and evaluation
- Ensure excellent services provided to community
- System improvements
- No City funding or subsidies
- No adverse impact on base ambulance rates
 - Set by Arizona Department of Health Services

Today's Situation

- ◆ 1 year agreement
 - New agreement, not an extension
 - 90-day termination clause
 - Expires June 30, 2006
- RFP approved by City Council
- 2 responses submitted, 2 staffing options
- Evaluation completed
- Agreement reached
- External agency reviews completed

Ambulance "System" requirements

- Company credentials
- Clinical (medical) performance
- Human Resources
- Control (dispatch) Center operations
- ♦ 8 minute: 59 second response time
- Fleet and equipment
- Key personnel and implementation plan
- Financial management
- Program enhancements

Response time requirement

- Identified high-performance systems
- Valley ambulance system requirements
- Clinical studies and data
- Recognized industry standards
- Researched Department of Health Services information
- First responder system is in place
 - Medical intervention begins immediately

Emergency Ambulance Services

- Performance contract
- Response performance
- System improvements
- Service delivery enhancements
- Community education, outreach

PMT Proposal

- Simultaneous dispatch of units
- Automatic vehicle locators
- Medical improvements and training
- Defined quality improvement plan
- Community outreach programs
- Program enhancements
- Dedicated back up and disaster units
- Advanced Life Support reimbursement
- Commitment to maintain base rates

Staff assessment

- Proposals evaluated independently by City staff
- Proposals independently reviewed by City's consultant
- Additional external evaluation

Due Diligence

- Ambulance industry consultant
- City Council RFP review
- Pre-bid conference
- Contract and options have been reviewed by Department of Health Services
- Contract and options have been reviewed by local medical insurance expert
- Contract and options have been reviewed by an independent medical insurance expert

Availability of resources

"...will be available for, and may be required by the Fire Department, to respond at any time to fire suppression, hazardous materials, rescue and other emergency responses to fulfill traditional fire suppression and specialty roles..."

Analysis

- Staffing options are identical in terms of emergency ambulance services
- Adds 8 additional on-duty trained emergency responders
- FFs assigned to ambulances can be integrated into emergency operations
- More integrated medical system
- Operational flexibility
- Strong working relationship, collaboration
- Cultivates relationship with hospital staff

Recommendation

- Approve contract between COS and PMT Ambulance
- Approve reimbursement agreement for City provided services
- Approve contract staffing agreement which places FFs on 4 ambulances

Summary

- End of fire protection contract, change in environment
- Open, competitive process
- Prehospital care consultant
- System specifications identified in RFP
- Evaluation of proposals by panel, review of staff
- Contract negotiated, independent reviews
- Contract staffing option recommended